



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 3168

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3168, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Public Labor Relations Act is  
6 amended by changing Sections 4 and 15 as follows:

7 (5 ILCS 315/4) (from Ch. 48, par. 1604)

8 Sec. 4. Management Rights. Employers shall not be required  
9 to bargain over matters of inherent managerial policy, which  
10 shall include such areas of discretion or policy as the  
11 functions of the employer, standards of services, its overall  
12 budget, the organizational structure and selection of new  
13 employees, examination techniques and direction of employees.  
14 Employers, however, shall be required to bargain collectively  
15 with regard to policy matters directly affecting wages (but  
16 subject to any applicable restrictions in Section 14-106.5 of

1 the Illinois Pension Code), hours and terms and conditions of  
2 employment as well as the impact thereon upon request by  
3 employee representatives, but excluding the changes, the  
4 impact of changes, and the implementation of the changes set  
5 forth in this amendatory Act of the 97th General Assembly.

6 To preserve the rights of employers and exclusive  
7 representatives which have established collective bargaining  
8 relationships or negotiated collective bargaining agreements  
9 prior to the effective date of this Act, employers shall be  
10 required to bargain collectively with regard to any matter  
11 concerning wages (but subject to any applicable restrictions in  
12 Section 14-106.5 of the Illinois Pension Code), hours or  
13 conditions of employment about which they have bargained for  
14 and agreed to in a collective bargaining agreement prior to the  
15 effective date of this Act, but excluding the changes, the  
16 impact of changes, and the implementation of the changes set  
17 forth in this amendatory Act of the 97th General Assembly.

18 The chief judge of the judicial circuit that employs a  
19 public employee who is a court reporter, as defined in the  
20 Court Reporters Act, has the authority to hire, appoint,  
21 promote, evaluate, discipline, and discharge court reporters  
22 within that judicial circuit.

23 Nothing in this amendatory Act of the 94th General Assembly  
24 shall be construed to intrude upon the judicial functions of  
25 any court. This amendatory Act of the 94th General Assembly  
26 applies only to nonjudicial administrative matters relating to

1 the collective bargaining rights of court reporters.

2 (Source: P.A. 94-98, eff. 7-1-05.)

3 (5 ILCS 315/15) (from Ch. 48, par. 1615)

4 Sec. 15. Act Takes Precedence.

5 (a) In case of any conflict between the provisions of this  
6 Act and any other law (other than Section 5 of the State  
7 Employees Group Insurance Act of 1971 and other than the  
8 changes made to the Illinois Pension Code by Public Act 96-889  
9 and the changes, impact of changes, and the implementation of  
10 the changes made to the Illinois Pension Code and the State  
11 Employees Group Insurance Act of 1971 by this amendatory Act of  
12 the 97th ~~96th~~ General Assembly), executive order or  
13 administrative regulation relating to wages, hours and  
14 conditions of employment and employment relations, the  
15 provisions of this Act or any collective bargaining agreement  
16 negotiated thereunder shall prevail and control. Nothing in  
17 this Act shall be construed to replace or diminish the rights  
18 of employees established by Sections 28 and 28a of the  
19 Metropolitan Transit Authority Act, Sections 2.15 through 2.19  
20 of the Regional Transportation Authority Act. The provisions of  
21 this Act are subject to the changes made by this amendatory Act  
22 of the 97th General Assembly, including Section 14-106.5 of the  
23 Illinois Pension Code, and Section 5 of the State Employees  
24 Group Insurance Act of 1971. Nothing in this Act shall be  
25 construed to replace the necessity of complaints against a

1 sworn peace officer, as defined in Section 2(a) of the Uniform  
2 Peace Officer Disciplinary Act, from having a complaint  
3 supported by a sworn affidavit.

4 (b) Except as provided in subsection (a) above, any  
5 collective bargaining contract between a public employer and a  
6 labor organization executed pursuant to this Act shall  
7 supersede any contrary statutes, charters, ordinances, rules  
8 or regulations relating to wages, hours and conditions of  
9 employment and employment relations adopted by the public  
10 employer or its agents. Any collective bargaining agreement  
11 entered into prior to the effective date of this Act shall  
12 remain in full force during its duration.

13 (c) It is the public policy of this State, pursuant to  
14 paragraphs (h) and (i) of Section 6 of Article VII of the  
15 Illinois Constitution, that the provisions of this Act are the  
16 exclusive exercise by the State of powers and functions which  
17 might otherwise be exercised by home rule units. Such powers  
18 and functions may not be exercised concurrently, either  
19 directly or indirectly, by any unit of local government,  
20 including any home rule unit, except as otherwise authorized by  
21 this Act.

22 (Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

23 Section 10. The State Employees Group Insurance Act of 1971  
24 is amended by adding Section 6.16 as follows:

1 (5 ILCS 375/6.16 new)

2 Sec. 6.16. Health benefit election for Tier I employees and  
3 Tier I retirees.

4 (a) For purposes of this Section:

5 "Eligible Tier I employee" means an individual who makes or  
6 is deemed to have made an election under paragraph (1) of  
7 subsection (a) of Sections 2-110.3 and 14-106.5 of the Illinois  
8 Pension Code.

9 "Eligible Tier I retiree" means an individual who makes or  
10 is deemed to have made an election under paragraph (1) of  
11 subsection (a-5) of Sections 2-110.3 and 14-106.5 of the  
12 Illinois Pension Code.

13 "Program of health benefits" means (i) a health plan, as  
14 defined in subsection (o) of Section 3 of this Act, that is  
15 designed and contracted for by the Director under this Act or  
16 any successor Act or (ii) if administration of that health plan  
17 is transferred to a trust established by the State or an  
18 independent Board in order to provide health benefits to a  
19 class of a persons that includes eligible Tier I retirees, then  
20 the plan of health benefits provided through that trust.

21 (b) As adequate and legal consideration for making the  
22 election under paragraph (1) of subsection (a) or (a-5) of  
23 Sections 2-110.3 and 14-106.5 of the Illinois Pension Code,  
24 each eligible Tier I employee and each eligible Tier I retiree  
25 shall receive a vested and enforceable contractual right to  
26 participate in a program of health benefits while he or she

1 qualifies as an annuitant or retired employee. That right also  
2 extends to such a person's dependents and survivors who are  
3 eligible under the applicable program of health benefits.

4 (c) Notwithstanding subsection (b), eligible Tier I  
5 employees and eligible Tier I retirees may be required to make  
6 contributions toward the cost of coverage under a program of  
7 health benefits.

8 (d) The vested and enforceable contractual right to a  
9 program of health benefits is not offered as, and shall not be  
10 considered, a pension benefit under Article XIII, Section 5 of  
11 the Illinois Constitution, the Illinois Pension Code, or any  
12 subsequent or successor enactment providing pension benefits.

13 (e) Notwithstanding any other provision of this Act, a Tier  
14 I employee or Tier I retiree who has made an election under  
15 paragraph (2) of subsection (a) or (a-5) of Sections 2-110.3  
16 and 14-106.5 of the Illinois Pension Code shall not be entitled  
17 to participate in the program of health benefits as an  
18 annuitant, dependent, survivor, or retired employee receiving  
19 a retirement annuity, regardless of any contrary election  
20 pursuant to any of those Sections under any other retirement  
21 system.

22 Notwithstanding any other provision of this Act, a Tier I  
23 employee who is not entitled to participate in the program of  
24 health benefits as an annuitant, dependent, survivor, or  
25 retired employee receiving a retirement annuity, due to an  
26 election under paragraph (2) of subsection (a) or (a-5) of

1 Sections 2-110.3 and 14-106.5 of the Illinois Pension Code  
2 shall not be required to make contributions toward the program  
3 of health benefits while he or she is an employee or active  
4 contributor. However, an active employee may be required to  
5 make contributions toward health benefits he or she receives  
6 during active employment.

7 (f) The Department shall coordinate with each retirement  
8 system administering an election in accordance with this  
9 amendatory Act of the 97th General Assembly to provide  
10 information concerning the impact of the election of health  
11 benefits. Each System shall include information prepared by the  
12 Department in the required election packet. The Department  
13 shall make information available to Tier I employees and Tier I  
14 retirees through video materials, group presentations,  
15 consultation by telephone or other electronic means, or any  
16 combination of these methods.

17 Section 15. The Governor's Office of Management and Budget  
18 Act is amended by changing Sections 7 and 8 as follows:

19 (20 ILCS 3005/7) (from Ch. 127, par. 417)

20 Sec. 7. All statements and estimates of expenditures  
21 submitted to the Office in connection with the preparation of a  
22 State budget, and any other estimates of expenditures,  
23 supporting requests for appropriations, shall be formulated  
24 according to the various functions and activities for which the

1        respective department, office or institution of the State  
2        government (including the elective officers in the executive  
3        department and including the University of Illinois and the  
4        judicial department) is responsible. All such statements and  
5        estimates of expenditures relating to a particular function or  
6        activity shall be further formulated or subject to analysis in  
7        accordance with the following classification of objects:

8            (1) Personal services

9            (2) State contribution for employee group insurance

10           (3) Contractual services

11           (4) Travel

12           (5) Commodities

13           (6) Equipment

14           (7) Permanent improvements

15           (8) Land

16           (9) Electronic Data Processing

17           (10) Telecommunication services

18           (11) Operation of Automotive Equipment

19           (12) Contingencies

20           (13) Reserve

21           (14) Interest

22           (15) Awards and Grants

23           (16) Debt Retirement

24           (17) Non-cost Charges-

25           (18) State retirement contribution for annual normal cost

26           (19) State retirement contribution for unfunded accrued

1 liability.

2 (Source: P.A. 93-25, eff. 6-20-03.)

3 (20 ILCS 3005/8) (from Ch. 127, par. 418)

4 Sec. 8. When used in connection with a State budget or  
5 expenditure or estimate, items (1) through (16) in the  
6 classification of objects stated in Section 7 shall have the  
7 meanings ascribed to those items in Sections 14 through 24.7,  
8 respectively, of the State Finance Act. ~~"An Act in relation to  
9 State finance", approved June 10, 1919, as amended.~~

10 When used in connection with a State budget or expenditure  
11 or estimate, items (18) and (19) in the classification of  
12 objects stated in Section 7 shall have the meanings ascribed to  
13 those items in Sections 24.12 and 24.13, respectively, of the  
14 State Finance Act.

15 (Source: P.A. 82-325.)

16 Section 25. The State Finance Act is amended by changing  
17 Section 13 and by adding Sections 24.12 and 24.13 as follows:

18 (30 ILCS 105/13) (from Ch. 127, par. 149)

19 Sec. 13. The objects and purposes for which appropriations  
20 are made are classified and standardized by items as follows:

21 (1) Personal services;

22 (2) State contribution for employee group insurance;

23 (3) Contractual services;

- 1 (4) Travel;
- 2 (5) Commodities;
- 3 (6) Equipment;
- 4 (7) Permanent improvements;
- 5 (8) Land;
- 6 (9) Electronic Data Processing;
- 7 (10) Operation of automotive equipment;
- 8 (11) Telecommunications services;
- 9 (12) Contingencies;
- 10 (13) Reserve;
- 11 (14) Interest;
- 12 (15) Awards and Grants;
- 13 (16) Debt Retirement;
- 14 (17) Non-Cost Charges;
- 15 (18) State retirement contribution for annual normal cost;
- 16 (19) State retirement contribution for unfunded accrued
- 17 liability;
- 18 (20) ~~(18)~~ Purchase Contract for Real Estate.

19 When an appropriation is made to an officer, department,  
20 institution, board, commission or other agency, or to a private  
21 association or corporation, in one or more of the items above  
22 specified, such appropriation shall be construed in accordance  
23 with the definitions and limitations specified in this Act,  
24 unless the appropriation act otherwise provides.

25 An appropriation for a purpose other than one specified and  
26 defined in this Act may be made only as an additional, separate

1 and distinct item, specifically stating the object and purpose  
2 thereof.

3 (Source: P.A. 84-263; 84-264.)

4 (30 ILCS 105/24.12 new)

5 Sec. 24.12. "State retirement contribution for annual  
6 normal cost" defined. The term "State retirement contribution  
7 for annual normal cost" means the portion of the total required  
8 State contribution to a retirement system for a fiscal year  
9 that represents the State's portion of the System's projected  
10 normal cost for that fiscal year, as determined and certified  
11 by the board of trustees of the retirement system in  
12 conformance with the applicable provisions of the Illinois  
13 Pension Code.

14 (30 ILCS 105/24.13 new)

15 Sec. 24.13. "State retirement contribution for unfunded  
16 accrued liability" defined. The term "State retirement  
17 contribution for unfunded accrued liability" means the portion  
18 of the total required State contribution to a retirement system  
19 for a fiscal year that is not included in the State retirement  
20 contribution for annual normal cost.

21 Section 30. The Illinois Pension Code is amended by  
22 changing Sections 1-103.3, 2-108, 2-119.1, 2-124, 2-134,  
23 7-109, 14-103.10, 14-106, 14-114, 14-131, 14-132, 14-133,

1 14-135.08, 14-152.1, 15-106, 15-107, 15-113.2, 15-163, 15-165,  
2 16-106, 16-107, 16-127, 16-158, and 18-140, and by adding  
3 Sections 1-162, 2-105.1, 2-105.2, 2-107.9, 2-110.3, 14-103.40,  
4 14-103.41, 14-103.42, and 14-106.5 as follows:

5 (40 ILCS 5/1-103.3)

6 Sec. 1-103.3. Application of 1994 amendment; funding  
7 standard.

8 (a) The provisions of Public Act 88-593 ~~this amendatory Act~~  
9 ~~of 1994~~ that change the method of calculating, certifying, and  
10 paying the required State contributions to the retirement  
11 systems established under Articles 2, 14, 15, 16, and 18 shall  
12 first apply to the State contributions required for State  
13 fiscal year 1996.

14 (b) (Blank). ~~The General Assembly declares that a funding~~  
15 ~~ratio (the ratio of a retirement system's total assets to its~~  
16 ~~total actuarial liabilities) of 90% is an appropriate goal for~~  
17 ~~State funded retirement systems in Illinois, and it finds that~~  
18 ~~a funding ratio of 90% is now the generally recognized norm~~  
19 ~~throughout the nation for public employee retirement systems~~  
20 ~~that are considered to be financially secure and funded in an~~  
21 ~~appropriate and responsible manner.~~

22 (c) Every 5 years, beginning in 1999, the Commission on  
23 Government Forecasting and Accountability, in consultation  
24 with the affected retirement systems and the Governor's Office  
25 of Management and Budget (formerly Bureau of the Budget), shall

1 consider and determine whether the funding goals ~~90% funding~~  
2 ~~ratio~~ adopted in Articles 2, 14, 15, 16, and 18 of this Code  
3 continue ~~subsection (b) continues~~ to represent ~~an~~ appropriate  
4 funding goals ~~goal~~ for State-funded retirement systems in  
5 Illinois, and it shall report its findings and recommendations  
6 on this subject to the Governor and the General Assembly.

7 (Source: P.A. 93-1067, eff. 1-15-05.)

8 (40 ILCS 5/1-162 new)

9 Sec. 1-162. Optional cash balance plan.

10 (a) Participation and Applicability. Beginning on July 1,  
11 2014, any Tier I employee who has made the election under  
12 paragraph (1) of subsection (a) or (a-5) of Section 14-106.5  
13 may elect to participate in the optional cash balance plan  
14 created under this Section.

15 The Board of Trustees of the applicable retirement system  
16 shall promulgate rules to create an annual election wherein a  
17 person eligible to participate in the optional cash balance  
18 plan may elect to participate, and an active employee who is a  
19 participant in the plan may elect to cease active  
20 participation. The election to cease active participation  
21 shall not disqualify the employee from eligibility to receive  
22 an interest credit under subsection (f), a distribution upon  
23 termination under subsection (f-10), a refund under subsection  
24 (f-15), a retirement annuity under subsection (f-15), a  
25 retirement annuity under subsection (g), or a survivor annuity

1 under subsection (k), or from eligibility to resume active  
2 participation in the optional cash balance plan in a subsequent  
3 year.

4 (b) Title. The package of benefits provided under this  
5 Section may be referred to as the "optional cash balance plan".  
6 Persons subject to the provisions of this Section may be  
7 referred to as "participants in the optional cash balance  
8 plan".

9 (b-5) Definitions. As used in this Section:

10 "Account" means the notional cash balance account  
11 established under this Section for a participant in the  
12 optional cash balance plan.

13 "Consumer Price Index-U" means the Consumer Price Index  
14 published by the Bureau of Labor Statistics of the United  
15 States Department of Labor that measures the average change in  
16 prices of goods and services purchased by all urban consumers,  
17 United States city average, all items, 1982-84 = 100.

18 "Salary" means "compensation" as defined in Article 14,  
19 without regard to the limitation in subsection (b-5) of Section  
20 1-160.

21 "Tier I employee" means a person who is a Tier I employee  
22 under the applicable Article of this Code.

23 (c) Cash Balance Account. A notional cash balance account  
24 shall be established by the applicable retirement system for  
25 each participant in the optional cash balance plan. The account  
26 is notional and does not contain any actual money segregated

1 from the commingled assets of the retirement system. The cash  
2 balance in the account is to be used in calculating benefits as  
3 provided in this Section, but is not to be used in the  
4 calculation of any refund, transfer, or other benefit under the  
5 applicable Article of this Code.

6 The amounts to be credited to the cash balance account  
7 shall consist of (i) amounts contributed by or on behalf of the  
8 participant as employee contributions, (ii) notional employer  
9 contributions, and (iii) interest credit that is attributable  
10 to the account, all as provided in this Section.

11 Whenever necessary for the prompt calculation or  
12 administration, or when the System lacks information necessary  
13 to the calculation or administration otherwise required of or  
14 for a benefit under this Section, the applicable retirement  
15 system may estimate an amount to be credited to or debited from  
16 a participant's cash balance account and then adjust the amount  
17 so credited or debited when more accurate information becomes  
18 available.

19 The applicable retirement system shall give to each  
20 participant in the optional cash balance plan who has not yet  
21 retired annual notice of (1) the balance in the participant's  
22 cash balance account and (2) an estimate of the retirement  
23 annuity that will be payable to the participant if he or she  
24 retires at age 59 1/2.

25 (d) Employee Contributions. In addition to the other  
26 contributions required under the applicable Article, each

1 participant shall make contributions to the applicable  
2 retirement system at the rate of 2% of each payment of salary.  
3 The amount of each contribution shall be credited to the  
4 participant's cash balance account upon receipt and after the  
5 retirement system's reconciliation of the contribution.

6 (e) Optional Employer Contributions. Employers may make  
7 optional additional contributions to the applicable retirement  
8 system on behalf of their employees who are participants in the  
9 optional cash balance plan in accordance with procedures  
10 prescribed by the retirement system, to the extent permitted by  
11 federal law and the rules prescribed by the retirement system.  
12 The optional additional contributions under this subsection  
13 are actual monetary contributions to the retirement system, and  
14 the amount of each optional additional contribution shall be  
15 credited to the participant's cash balance account upon receipt  
16 and after the retirement system's reconciliation of the  
17 contribution.

18 (f) Interest Credit. An amount representing earnings on  
19 investments shall be determined by the retirement system in  
20 accordance with this Section and credited to the participant's  
21 cash balance account for each fiscal year in which there is a  
22 positive balance in that account; except that no additional  
23 interest credit shall be credited while an annuity based on the  
24 account is being paid. The interest credit amount shall be a  
25 percentage of the average quarterly balance in the cash balance  
26 account during that fiscal year, and shall be calculated on

1 June 30.

2 The percentage shall be the assumed treasury rate for the  
3 previous fiscal year, unless neither the retirement system's  
4 actual rate of investment earnings for the previous fiscal year  
5 nor the retirement system's actual rate of investment earnings  
6 for the five-year period ending at the end of the previous  
7 fiscal year is less than the assumed treasury rate.

8 If both the retirement system's actual rate of investment  
9 earnings for the previous fiscal year and the actual rate of  
10 investment earnings for the five-year period ending at the end  
11 of the previous fiscal year are at least the assumed treasury  
12 rate, then the percentage shall be:

13 (i) the assumed treasury rate, plus

14 (ii) two-thirds of the amount of the actual rate of  
15 investment earnings for the previous fiscal year that  
16 exceeds the assumed treasury rate.

17 However, in no event shall the percentage applied under this  
18 subsection exceed 10%.

19 For the purposes of this subsection only, "previous fiscal  
20 year" means the fiscal year ending one year before the interest  
21 rate is calculated.

22 For the purposes of this subsection only, "assumed treasury  
23 rate" means the average annual yield of the 30-year U.S.  
24 Treasury Bond over the previous fiscal year, but not less than  
25 4%.

26 When a person applies for a benefit under this Section, the

1 retirement system shall apply an interest credit based on a  
2 proration of an estimate of what the interest credit will be  
3 for the relevant year. When the retirement system certifies the  
4 credit on June 30, it shall adjust the benefit accordingly.

5 (f-10) Distribution upon Termination of Employment. Upon  
6 termination of active employment with at least 5 years of  
7 service credit under the applicable retirement system and prior  
8 to making application for an annuity under this Section, a  
9 participant in the optional cash balance plan may make an  
10 irrevocable election to distribute an amount not to exceed 40%  
11 of the balance in the participant's account in the form of a  
12 direct rollover to another qualified plan, to the extent  
13 allowed by federal law. If the participant makes such an  
14 election, then the amount distributed shall be debited from the  
15 participant's cash balance account. A participant in the  
16 optional cash balance plan shall be allowed only one  
17 distribution under this subsection. The remaining balance in  
18 the participant's account shall be used for the determination  
19 of other benefits provided under this Section.

20 (f-15) Refund. In lieu of receiving a distribution under  
21 subsection (f-10), at any time after terminating active  
22 employment under the applicable retirement system, but before  
23 receiving a retirement annuity under this Section, a  
24 participant in the optional cash balance plan may elect to  
25 receive a refund under this subsection. The refund shall  
26 consist of an amount equal to the amount of all employee

1 contributions credited to the participant's account, but shall  
2 not include any interest credit or employer contributions. If  
3 the participant so requests, the refund may be paid in the form  
4 of a direct rollover to another qualified plan, to the extent  
5 allowed by federal law and in accordance with the rules of the  
6 applicable retirement system. Upon payment of the refund, the  
7 participant's notional cash balance account shall be closed.

8 (g) Retirement Annuity. A participant in the optional cash  
9 balance plan may begin collecting a retirement annuity at age  
10 59 1/2, but no earlier than the date of termination of active  
11 employment under the applicable retirement system.

12 The amount of the retirement annuity shall be calculated by  
13 the retirement system, based on the balance in the cash balance  
14 account, the assumption of future investment returns as  
15 specified in this subsection, the participant's election to  
16 have a lifetime survivor's annuity as specified in this  
17 subsection, the annual increase in retirement annuity as  
18 specified in subsection (h), the annual increase in survivor's  
19 annuity as specified in subsection (l), and any actuarial  
20 assumptions and tables adopted by the board of the retirement  
21 system for this purpose. The calculation shall determine the  
22 amount of retirement annuity, on an actuarially equivalent  
23 basis, that shall be designed to result in the balance in the  
24 participant's account arriving at zero on the date when the  
25 last payment of the retirement annuity (or survivor's annuity,  
26 if the participant elects to provide for a survivor's annuity

1 pursuant to this subsection) is anticipated to be paid under  
2 the relevant actuarial assumptions. A retirement annuity or a  
3 survivor's annuity provided under this Section shall be a life  
4 annuity and shall not expire if the account balance equals  
5 zero.

6 The annuity payment shall begin on the date specified by  
7 the participant submitting a written application, which date  
8 shall not be prior to termination of employment or more than  
9 one year before the application is received by the board;  
10 however, if the participant is not an employee of an employer  
11 participating in this System or in a participating system as  
12 defined in Article 20 of this Code on April 1 of the calendar  
13 year next following the calendar year in which the participant  
14 attains age 70 1/2, the annuity payment period shall begin on  
15 that date regardless of whether an application has been filed.

16 The participant may elect, under the participant's written  
17 application for retirement, to receive a reduced annuity  
18 payable for his or her life and to have a lifetime survivor's  
19 annuity in a monthly amount equal to 50%, 75%, or 100% of that  
20 reduced monthly amount, to be paid after the participant's  
21 death to his or her eligible survivor. Eligibility for a  
22 survivor's annuity shall be determined under the applicable  
23 Article of this Code.

24 For the purpose of calculating retirement annuities,  
25 future investment returns shall be assumed to be a percentage  
26 equal to the average yield of the 30-year U.S. Treasury Bond

1 over the 5 fiscal years prior to the calculation of the initial  
2 retirement annuity, plus 250 basis points; but not less than 4%  
3 nor more than 8%.

4 (h) Annual Increase in Retirement Annuity. The retirement  
5 annuity shall be subject to an automatic annual increase in an  
6 amount equal to 3% of the originally granted annuity on each  
7 January 1 occurring on or after the first anniversary of the  
8 annuity start date.

9 (i) Disability Benefits. There are no disability benefits  
10 provided under the optional cash balance plan, and no amounts  
11 for disability shall be deducted from the account of a  
12 participant in the optional cash balance plan. The disability  
13 benefits provided under the applicable retirement system apply  
14 to participants in the optional cash balance plan.

15 (j) Return to Service. Upon a return to service under the  
16 same retirement system after beginning to receive a retirement  
17 annuity under the optional cash balance plan, the retirement  
18 annuity shall be suspended and active participation in the  
19 optional cash balance plan shall resume. Upon termination of  
20 the employment, the retirement annuity shall resume in an  
21 amount to be recalculated in accordance with subsection (g),  
22 taking into effect the changes in the cash balance account. If  
23 a retired annuitant returns to service, his or her notional  
24 cash balance account shall be decreased by each payment of  
25 retirement annuity prior to the return to service.

26 (k) Survivor's Annuity - Death before Retirement. In the

1 case of a participant in the optional cash balance plan who had  
2 less than 5 years of service under the applicable Article and  
3 had not begun receiving a retirement annuity, the eligible  
4 survivor shall be entitled only to a refund of employee  
5 contributions under subsection (f-15).

6 In the case of a participant in the optional cash balance  
7 plan who had at least 5 years of service under the applicable  
8 Article and had not begun receiving a retirement annuity, the  
9 eligible survivor shall be entitled to receive a survivor's  
10 annuity beginning at age 59 1/2 upon written application. The  
11 survivor's annuity shall be calculated in the same manner as a  
12 retirement annuity under subsection (g). At any time before  
13 receiving a survivor's annuity, the eligible survivor may claim  
14 a distribution under subsection (f-10) or a refund under  
15 subsection (f-15). The deceased participant's account shall  
16 continue to receive interest credit until the eligible survivor  
17 begins to receive a survivor's annuity or receives a refund of  
18 employee contributions under subsection (f-15).

19 Eligibility for a survivor's annuity shall be determined  
20 under the applicable Article of this Code. A child's or  
21 parent's annuity for an otherwise eligible child or dependent  
22 parent shall be in the same amount, if any, prescribed under  
23 the applicable Article.

24 (l) Annual Increase in Survivor's Annuity. A survivor's  
25 annuity granted under subsection (g) or (k) shall be subject to  
26 an automatic annual increase in an amount equal to 3% of the

1 originally granted annuity on each January 1 occurring on or  
2 after the first anniversary of the annuity start date.

3 (m) Applicability of Provisions. The following provisions,  
4 if and as they exist in this Code, do not apply to participants  
5 in the optional cash balance plan with respect to participation  
6 in the optional cash balance plan, except as they are  
7 specifically provided for in this Section:

8 (1) minimum service or vesting requirements (other  
9 than as provided in this Section);

10 (2) provisions limiting a retirement annuity to a  
11 specified percentage of salary;

12 (3) provisions authorizing a minimum retirement or  
13 survivor's annuity or a supplemental annuity;

14 (4) provisions authorizing any form of retirement  
15 annuity or survivor's annuity not authorized under this  
16 Section;

17 (5) provisions authorizing a reversionary annuity  
18 (other than the survivor's annuity under subsection (g));

19 (6) provisions authorizing a refund of employee  
20 contributions upon termination of service (other than upon  
21 the death of the participant without an eligible survivor)  
22 or any lump-sum payout in lieu of a retirement or  
23 survivor's annuity (other than the distribution under  
24 subsection (f-10) or the refund under subsection (f-15) of  
25 this Section;

26 (7) provisions authorizing optional service credits or

1       the payment of optional additional contributions (other  
2       than the optional employer contributions specifically  
3       authorized in this Section); or

4               (8) a level income option.

5       The Retirement Systems Reciprocal Act (Article 20 of this  
6       Code) does not apply to participation in the optional cash  
7       balance plan and does not affect the calculation of benefits  
8       payable under this Section.

9       The other provisions of this Code continue to apply to  
10       participants in the optional cash balance plan, to the extent  
11       that they do not conflict with this Section. In the case of a  
12       conflict between the provisions of this Section and any other  
13       provision of this Code, the provisions of this Section control.

14       (n) Rules. The Board of Trustees of the applicable  
15       retirement system may adopt rules and procedures for the  
16       implementation of this Section, including but not limited to  
17       determinations of how to integrate the administration of this  
18       Section with the requirements of the applicable Article and any  
19       other applicable provisions of this Code.

20       (o) Public Pension Division. The Public Pension Division of  
21       the Department of Insurance shall determine in October of each  
22       year the annual unadjusted percentage increase (but not less  
23       than zero) in the Consumer Price Index-U for the 12 months  
24       ending with the preceding September. The Division shall certify  
25       its determination to the Board of Trustees of the State  
26       Universities Retirement System by November 1 of each year.

1       (p) Actual Employer Contributions. Payment of employer  
2 contributions with respect to participants in the optional cash  
3 balance plan shall be the responsibility of the actual  
4 employer. These contributions shall be determined under and  
5 paid in accordance with the provisions of Sections 15-155.  
6 Optional additional contributions by employers may be paid in  
7 any amount, but must be paid in the manner specified by the  
8 applicable retirement system.

9       (q) Prospective Modification. The provisions set forth in  
10 this Section are subject to prospective changes made by law  
11 provided that any such changes shall not apply to any benefits  
12 accrued under this Section prior to the effective date of any  
13 amendatory Act of the General Assembly.

14       (s) Qualified Plan Status. No provision of this Section  
15 shall be interpreted in a way that would cause the applicable  
16 retirement system to cease to be a qualified plan under Section  
17 401 (a) of the Internal Revenue Code of 1986.

18       (40 ILCS 5/2-105.1 new)

19       Sec. 2-105.1. Tier I employee. "Tier I employee": A  
20 participant who first became a participant before January 1,  
21 2011.

22       (40 ILCS 5/2-105.2 new)

23       Sec. 2-105.2. Tier I retiree. "Tier I retiree" means a  
24 former Tier I employee who is receiving a retirement annuity.

1 (40 ILCS 5/2-107.9 new)

2 Sec. 2-107.9. Future increase in income. "Future increase  
3 in income": Any increase in income in any form offered for  
4 service as a member under this Article after June 30, 2014 that  
5 would qualify as "salary", as defined under Section 2-108, but  
6 for the fact that the increase in income was offered to the  
7 member on the condition that it not qualify as salary and was  
8 accepted by the member subject to that condition.

9 (40 ILCS 5/2-108) (from Ch. 108 1/2, par. 2-108)

10 Sec. 2-108. Salary. "Salary": (1) For members of the  
11 General Assembly, the total compensation paid to the member by  
12 the State for one year of service, including the additional  
13 amounts, if any, paid to the member as an officer pursuant to  
14 Section 1 of "An Act in relation to the compensation and  
15 emoluments of the members of the General Assembly", approved  
16 December 6, 1907, as now or hereafter amended.

17 (2) For the State executive officers specified in Section  
18 2-105, the total compensation paid to the member for one year  
19 of service.

20 (3) For members of the System who are participants under  
21 Section 2-117.1, or who are serving as Clerk or Assistant Clerk  
22 of the House of Representatives or Secretary or Assistant  
23 Secretary of the Senate, the total compensation paid to the  
24 member for one year of service, but not to exceed the salary of

1 the highest salaried officer of the General Assembly.

2 However, in the event that federal law results in any  
3 participant receiving imputed income based on the value of  
4 group term life insurance provided by the State, such imputed  
5 income shall not be included in salary for the purposes of this  
6 Article.

7 Notwithstanding any other provision of this Section,  
8 "salary" does not include any future increase in income that is  
9 offered for service as a member under this Article pursuant to  
10 the requirements of subsection (c) of Section 2-110.3 and  
11 accepted by a Tier I employee, or a Tier I retiree returning to  
12 active service, who has made an election under paragraph (2) of  
13 subsection (a) or (a-5) of Section 2-110.3.

14 (Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

15 (40 ILCS 5/2-110.3 new)

16 Sec. 2-110.3. Election by Tier I employees and Tier I  
17 retirees.

18 (a) Each Tier I employee shall make an irrevocable election  
19 either:

20 (1) to agree to the following:

21 (i) to have the amount of the automatic annual  
22 increases in his or her retirement annuity that are  
23 otherwise provided for in this Article calculated,  
24 instead, as provided in subsection (a-1) of Section  
25 2-119.1; and

1           (ii) to have his or her eligibility for automatic  
2           annual increases in retirement annuity postponed as  
3           provided in subsection (a-2) of Section 2-119.1 and to  
4           relinquish the additional increases provided in  
5           subsection (b) of Section 2-119.1; or  
6           (2) to not agree to items (i) and (ii) as set forth in  
7           paragraph (1) of this subsection.

8           The election required under this subsection (a) shall be  
9           made by each Tier I employee no earlier than January 1, 2014  
10           and no later than May 31, 2014, except that:

11           (i) a person who becomes a Tier I employee under this  
12           Article after January 1, 2014 must make the election under  
13           this subsection (a) within 60 days after becoming a Tier I  
14           employee;

15           (ii) a person who returns to active service as a Tier I  
16           employee under this Article after January 1, 2014 and has  
17           not yet made an election under this Section must make the  
18           election under this subsection (a) within 60 days after  
19           returning to active service as a Tier I employee; and

20           (iii) a person who made the election under subsection  
21           (a-5) as a Tier I retiree remains bound by that election  
22           and shall not make a later election under this subsection  
23           (a).

24           If a Tier I employee fails for any reason to make a  
25           required election under this subsection within the time  
26           specified, then the employee shall be deemed to have made the

1 election under paragraph (2) of this subsection.

2 (a-5) Each Tier I retiree shall make an irrevocable  
3 election either:

4 (1) to agree to the following:

5 (i) to have the amount of the automatic annual  
6 increases in his or her retirement annuity that are  
7 otherwise provided for in this Article calculated,  
8 instead, as provided in subsection (a-1) of Section  
9 2-119.1; and

10 (ii) to have his or her eligibility for automatic  
11 annual increases in retirement annuity postponed as  
12 provided in subsection (a-2) of Section 2-119.1 and to  
13 relinquish the additional increases provided in  
14 subsection (b) of Section 2-119.1; or

15 (2) to not agree to items (i) and (ii) as set forth in  
16 paragraph (1) of this subsection.

17 The election required under this subsection (a-5) shall be  
18 made by each Tier I retiree no earlier than January 1, 2014 and  
19 no later than May 31, 2014, except that:

20 (i) a person who becomes a Tier I retiree under this  
21 Article on or after January 1, 2014 must make the election  
22 under this subsection (a-5) within 60 days after becoming a  
23 Tier I retiree; and

24 (ii) a person who made the election under subsection  
25 (a) as a Tier I employee remains bound by that election and  
26 shall not make a later election under this subsection

1       (a-5).

2       If a Tier I retiree fails for any reason to make a required  
3 election under this subsection within the time specified, then  
4 the Tier I retiree shall be deemed to have made the election  
5 under paragraph (2) of this subsection.

6       (a-10) All elections under subsection (a) or (a-5) that are  
7 made or deemed to be made before June 1, 2014 shall take effect  
8 on July 1, 2014. Elections that are made or deemed to be made  
9 on or after June 1, 2014 shall take effect on the first day of  
10 the month following the month in which the election is made or  
11 deemed to be made.

12       (b) As adequate and legal consideration provided under this  
13 amendatory Act of the 97th General Assembly for making the  
14 election under paragraph (1) of subsection (a) of this Section,  
15 any future increases in income offered for service as a member  
16 under this Article to a Tier I employee who has made the  
17 election under paragraph (1) of subsection (a) of this Section  
18 shall be offered expressly and irrevocably as constituting  
19 salary under Section 2-108.

20       As adequate and legal consideration provided under this  
21 amendatory Act of the 97th General Assembly for making the  
22 election under paragraph (1) of subsection (a-5) of this  
23 Section, any future increases in income offered for service as  
24 a member under this Article to a Tier I retiree who returns to  
25 active service after having made the election under paragraph  
26 (1) of subsection (a-5) of this Section shall be offered

1 expressly and irrevocably as constituting salary under Section  
2 2-108.

3 (c) A Tier I employee who makes the election under  
4 paragraph (2) of subsection (a) of this Section shall not be  
5 subject to items (i) and (ii) set forth in paragraph (1) of  
6 subsection (a) of this Section. However, any future increases  
7 in income offered for service as a member under this Article to  
8 a Tier I employee who has made the election under paragraph (2)  
9 of subsection (a) of this Section shall be offered expressly  
10 and irrevocably as not constituting salary under Section 2-108,  
11 and the member may not accept any future increase in income  
12 that is offered in violation of this requirement.

13 A Tier I retiree who makes the election under paragraph (2)  
14 of subsection (a-5) of this Section shall not be subject to  
15 items (i) and (ii) set forth in paragraph (1) of subsection  
16 (a-5) of this Section. However, any future increases in income  
17 offered for service as a member under this Article to a Tier I  
18 retiree who returns to active service and has made the election  
19 under paragraph (2) of subsection (a-5) of this Section shall  
20 be offered expressly and irrevocably as not constituting salary  
21 under Section 2-108, and the member may not accept any future  
22 increase in income that is offered in violation of this  
23 requirement.

24 (d) The System shall make a good faith effort to contact  
25 each Tier I employee and Tier I retiree subject to this  
26 Section. The System shall mail information describing the

1 required election to each Tier I employee and Tier I retiree by  
2 United States Postal Service mail to his or her last known  
3 address on file with the System. If the Tier I employee or Tier  
4 I retiree is not responsive to other means of contact, it is  
5 sufficient for the System to publish the details of any  
6 required elections on its website or to publish those details  
7 in a regularly published newsletter or other existing public  
8 forum.

9 Tier I employees and Tier I retirees who are subject to  
10 this Section shall be provided with an election packet  
11 containing information regarding their options, as well as the  
12 forms necessary to make the required election. Upon request,  
13 the System shall offer Tier I employees and Tier I retirees an  
14 opportunity to receive information from the System before  
15 making the required election. The information may be provided  
16 through video materials, group presentations, individual  
17 consultation with a member or authorized representative of the  
18 System in person or by telephone or other electronic means, or  
19 any combination of those methods. The System shall not provide  
20 advice or counseling with respect to which election a Tier I  
21 employee or Tier I retiree should make or specific to the legal  
22 or tax circumstances of or consequences to the Tier I employee  
23 or Tier I retiree.

24 The System shall inform Tier I employees and Tier I  
25 retirees in the election packet required under this subsection  
26 that the Tier I employee or Tier I retiree may also wish to

1 obtain information and counsel relating to the election  
2 required under this Section from any other available source,  
3 including but not limited to labor organizations and private  
4 counsel.

5 In no event shall the System, its staff, or the Board be  
6 held liable for any information given to a member, beneficiary,  
7 or annuitant regarding the elections under this Section. The  
8 System shall coordinate with the Illinois Department of Central  
9 Management Services and each other retirement system  
10 administering an election in accordance with this amendatory  
11 Act of the 97th General Assembly to provide information  
12 concerning the impact of the election set forth in this  
13 Section.

14 (e) Notwithstanding any other provision of law, any future  
15 increases in income offered for service as a member must be  
16 offered expressly and irrevocably as not constituting "salary"  
17 under Section 2-108 to any Tier I employee, or Tier I retiree  
18 returning to active service, who has made an election under  
19 paragraph (2) or subsection (a) or (a-5) of Section 2-110.3. A  
20 Tier I employee, or Tier I retiree returning to active service,  
21 who has made an election under paragraph (2) or subsection (a)  
22 or (a-5) of Section 2-110.3 shall not accept any future  
23 increase in income that is offered for service as a member  
24 under this Article in violation of the requirement set forth in  
25 this subsection.

26 (f) A member's election under this Section is not a

1 prohibited election under subdivision (j)(1) of Section 1-119  
2 of this Code.

3 (g) No provision of this Section shall be interpreted in a  
4 way that would cause the System to cease to be a qualified plan  
5 under Section 401 (a) of the Internal Revenue Code of 1986.

6 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

7 Sec. 2-119.1. Automatic increase in retirement annuity.

8 (a) Except as provided in subsections (a-1) and (a-2), a A  
9 participant who retires after June 30, 1967, and who has not  
10 received an initial increase under this Section before the  
11 effective date of this amendatory Act of 1991, shall, in  
12 January or July next following the first anniversary of  
13 retirement, whichever occurs first, and in the same month of  
14 each year thereafter, but in no event prior to age 60, have the  
15 amount of the originally granted retirement annuity increased  
16 as follows: for each year through 1971, 1 1/2%; for each year  
17 from 1972 through 1979, 2%; and for 1980 and each year  
18 thereafter, 3%. Annuitants who have received an initial  
19 increase under this subsection prior to the effective date of  
20 this amendatory Act of 1991 shall continue to receive their  
21 annual increases in the same month as the initial increase.

22 (a-1) Notwithstanding any other provision of this Article,  
23 for a Tier I employee or Tier I retiree who made the election  
24 under paragraph (1) of subsection (a) or (a-5) of Section  
25 2-110.3, the amount of each automatic annual increase in

1 retirement annuity occurring on or after the effective date of  
2 that election shall be 3% or one-half of the annual unadjusted  
3 percentage increase, if any, in the Consumer Price Index-U for  
4 the 12 months ending with the preceding September, whichever is  
5 less, of the originally granted retirement annuity. For the  
6 purposes of this Section, "Consumer Price Index-U" means the  
7 index published by the Bureau of Labor Statistics of the United  
8 States Department of Labor that measures the average change in  
9 prices of goods and services purchased by all urban consumers,  
10 United States city average, all items, 1982-84 = 100.

11 (a-2) For a Tier I employee or Tier I retiree who made the  
12 election under paragraph (1) of subsection (a) or (a-5) of  
13 Section 2-110.3, the monthly retirement annuity shall first be  
14 subject to annual increases on the January 1 occurring on or  
15 next after the attainment of age 67 or the January 1 occurring  
16 on or next after the fifth anniversary of the annuity start  
17 date, whichever occurs earlier. If on the effective date of the  
18 election under paragraph (1) of subsection (a-5) of Section  
19 2-110.3 a Tier I retiree has already received an annual  
20 increase under this Section but does not yet meet the new  
21 eligibility requirements of this subsection, the annual  
22 increases already received shall continue in force, but no  
23 additional annual increase shall be granted until the Tier I  
24 retiree meets the new eligibility requirements.

25 (b) Beginning January 1, 1990, for eligible participants  
26 who remain in service after attaining 20 years of creditable

1 service, the 3% increases provided under subsection (a) shall  
2 begin to accrue on the January 1 next following the date upon  
3 which the participant (1) attains age 55, or (2) attains 20  
4 years of creditable service, whichever occurs later, and shall  
5 continue to accrue while the participant remains in service;  
6 such increases shall become payable on January 1 or July 1,  
7 whichever occurs first, next following the first anniversary of  
8 retirement. For any person who has service credit in the System  
9 for the entire period from January 15, 1969 through December  
10 31, 1992, regardless of the date of termination of service, the  
11 reference to age 55 in clause (1) of this subsection (b) shall  
12 be deemed to mean age 50.

13 This subsection (b) does not apply to any person who first  
14 becomes a member of the System after August 8, 2003 (the  
15 effective date of Public Act 93-494) or (ii) has made the  
16 election under paragraph (1) of subsection (a) or (a-5) of  
17 Section 2-110.3; except that if on the effective date of the  
18 election under paragraph (1) of subsection (a-5) of Section  
19 2-110.3 a Tier I retiree has already received a retirement  
20 annuity based on any annual increases under this subsection,  
21 those annual increases under this subsection shall continue in  
22 force ~~this amendatory Act of the 93rd General Assembly.~~

23 (b-5) Notwithstanding any other provision of this Article,  
24 a participant who first becomes a participant on or after  
25 January 1, 2011 (the effective date of Public Act 96-889)  
26 shall, in January or July next following the first anniversary

1 of retirement, whichever occurs first, and in the same month of  
2 each year thereafter, but in no event prior to age 67, have the  
3 amount of the retirement annuity then being paid increased by  
4 3% or the annual unadjusted percentage increase in the Consumer  
5 Price Index for All Urban Consumers as determined by the Public  
6 Pension Division of the Department of Insurance under  
7 subsection (a) of Section 2-108.1, whichever is less.

8 (c) The foregoing provisions relating to automatic  
9 increases are not applicable to a participant who retires  
10 before having made contributions (at the rate prescribed in  
11 Section 2-126) for automatic increases for less than the  
12 equivalent of one full year. However, in order to be eligible  
13 for the automatic increases, such a participant may make  
14 arrangements to pay to the system the amount required to bring  
15 the total contributions for the automatic increase to the  
16 equivalent of one year's contributions based upon his or her  
17 last salary.

18 (d) A participant who terminated service prior to July 1,  
19 1967, with at least 14 years of service is entitled to an  
20 increase in retirement annuity beginning January, 1976, and to  
21 additional increases in January of each year thereafter.

22 The initial increase shall be 1 1/2% of the originally  
23 granted retirement annuity multiplied by the number of full  
24 years that the annuitant was in receipt of such annuity prior  
25 to January 1, 1972, plus 2% of the originally granted  
26 retirement annuity for each year after that date. The

1 subsequent annual increases shall be at the rate of 2% of the  
2 originally granted retirement annuity for each year through  
3 1979 and at the rate of 3% for 1980 and thereafter.

4 (e) Beginning January 1, 1990, all automatic annual  
5 increases payable under this Section shall be calculated as a  
6 percentage of the total annuity payable at the time of the  
7 increase, including previous increases granted under this  
8 Article.

9 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

10 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

11 Sec. 2-124. Contributions by State.

12 (a) Except as otherwise provided in this Section, the ~~The~~  
13 State shall make contributions to the System by appropriations  
14 of amounts which, together with the contributions of  
15 participants, interest earned on investments, and other income  
16 will meet the cost of maintaining and administering the System  
17 on a 90% funded basis in accordance with actuarial  
18 recommendations.

19 (b) The Board shall determine the amount of State  
20 contributions required for each fiscal year on the basis of the  
21 actuarial tables and other assumptions adopted by the Board and  
22 the prescribed rate of interest, using the formula in  
23 subsection (c).

24 (c) Except as otherwise provided in this Section, for ~~For~~  
25 State fiscal years 2012 through 2045, the minimum contribution

1 to the System to be made by the State for each fiscal year  
2 shall be an amount determined by the System to be sufficient to  
3 bring the total assets of the System up to 90% of the total  
4 actuarial liabilities of the System by the end of State fiscal  
5 year 2045. In making these determinations, the required State  
6 contribution shall be calculated each year as a level  
7 percentage of payroll over the years remaining to and including  
8 fiscal year 2045 and shall be determined under the projected  
9 unit credit actuarial cost method.

10 For State fiscal years 1996 through 2005, the State  
11 contribution to the System, as a percentage of the applicable  
12 employee payroll, shall be increased in equal annual increments  
13 so that by State fiscal year 2011, the State is contributing at  
14 the rate required under this Section.

15 Notwithstanding any other provision of this Article, the  
16 total required State contribution for State fiscal year 2006 is  
17 \$4,157,000.

18 Notwithstanding any other provision of this Article, the  
19 total required State contribution for State fiscal year 2007 is  
20 \$5,220,300.

21 For each of State fiscal years 2008 through 2009, the State  
22 contribution to the System, as a percentage of the applicable  
23 employee payroll, shall be increased in equal annual increments  
24 from the required State contribution for State fiscal year  
25 2007, so that by State fiscal year 2011, the State is  
26 contributing at the rate otherwise required under this Section.

1           Notwithstanding any other provision of this Article, the  
2 total required State contribution for State fiscal year 2010 is  
3 \$10,454,000 and shall be made from the proceeds of bonds sold  
4 in fiscal year 2010 pursuant to Section 7.2 of the General  
5 Obligation Bond Act, less (i) the pro rata share of bond sale  
6 expenses determined by the System's share of total bond  
7 proceeds, (ii) any amounts received from the General Revenue  
8 Fund in fiscal year 2010, and (iii) any reduction in bond  
9 proceeds due to the issuance of discounted bonds, if  
10 applicable.

11           Notwithstanding any other provision of this Article, the  
12 total required State contribution for State fiscal year 2011 is  
13 the amount recertified by the System on or before April 1, 2011  
14 pursuant to Section 2-134 and shall be made from the proceeds  
15 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of  
16 the General Obligation Bond Act, less (i) the pro rata share of  
17 bond sale expenses determined by the System's share of total  
18 bond proceeds, (ii) any amounts received from the General  
19 Revenue Fund in fiscal year 2011, and (iii) any reduction in  
20 bond proceeds due to the issuance of discounted bonds, if  
21 applicable.

22           Except as otherwise provided in this Section, beginning  
23 ~~Beginning~~ in State fiscal year 2046, the minimum State  
24 contribution for each fiscal year shall be the amount needed to  
25 maintain the total assets of the System at 90% of the total  
26 actuarial liabilities of the System.

1           Amounts received by the System pursuant to Section 25 of  
2 the Budget Stabilization Act or Section 8.12 of the State  
3 Finance Act in any fiscal year do not reduce and do not  
4 constitute payment of any portion of the minimum State  
5 contribution required under this Article in that fiscal year.  
6 Such amounts shall not reduce, and shall not be included in the  
7 calculation of, the required State contributions under this  
8 Article in any future year until the System has reached a  
9 funding ratio of at least 90%. A reference in this Article to  
10 the "required State contribution" or any substantially similar  
11 term does not include or apply to any amounts payable to the  
12 System under Section 25 of the Budget Stabilization Act.

13           Notwithstanding any other provision of this Section, the  
14 required State contribution for State fiscal year 2005 and for  
15 fiscal year 2008 and each fiscal year thereafter, as calculated  
16 under this Section and certified under Section 2-134, shall not  
17 exceed an amount equal to (i) the amount of the required State  
18 contribution that would have been calculated under this Section  
19 for that fiscal year if the System had not received any  
20 payments under subsection (d) of Section 7.2 of the General  
21 Obligation Bond Act, minus (ii) the portion of the State's  
22 total debt service payments for that fiscal year on the bonds  
23 issued in fiscal year 2003 for the purposes of that Section  
24 7.2, as determined and certified by the Comptroller, that is  
25 the same as the System's portion of the total moneys  
26 distributed under subsection (d) of Section 7.2 of the General

1 Obligation Bond Act. In determining this maximum for State  
2 fiscal years 2008 through 2010, however, the amount referred to  
3 in item (i) shall be increased, as a percentage of the  
4 applicable employee payroll, in equal increments calculated  
5 from the sum of the required State contribution for State  
6 fiscal year 2007 plus the applicable portion of the State's  
7 total debt service payments for fiscal year 2007 on the bonds  
8 issued in fiscal year 2003 for the purposes of Section 7.2 of  
9 the General Obligation Bond Act, so that, by State fiscal year  
10 2011, the State is contributing at the rate otherwise required  
11 under this Section.

12 (c-1) If at least 50% of Tier I employees making an  
13 election under Section 2-110.3 before June 1, 2014 choose the  
14 option under paragraph (1) of subsection (a) of that Section,  
15 then:

16 (1) In lieu of the State contributions required under  
17 subsection (c), for State fiscal years 2015 through 2044  
18 the minimum contribution to the System to be made by the  
19 State for each fiscal year shall be an amount determined by  
20 the System to be equal to the sum of (1) the State's  
21 portion of the projected normal cost for that fiscal year,  
22 plus (2) an amount sufficient to bring the total assets of  
23 the System up to 100% of the total actuarial liabilities of  
24 the System by the end of State fiscal year 2044. In making  
25 these determinations, the required State contribution  
26 shall be calculated each year as a level percentage of

1       payroll over the years remaining to and including fiscal  
2       year 2044 and shall be determined under the projected unit  
3       credit actuarial cost method.

4       (2) Beginning in State fiscal year 2044, the minimum  
5       State contribution for each fiscal year shall be the amount  
6       needed to maintain the total assets of the System at 100%  
7       of the total actuarial liabilities of the System.

8       (c-2) If less than 50% of Tier I employees making an  
9       election under Section 2-110.3 before June 1, 2014 choose the  
10      option under paragraph (1) of subsection (a) of that Section,  
11      then the annual required contribution to the System to be made  
12      by the State shall be determined under subsection (c) of this  
13      Section, instead of the annual required contribution otherwise  
14      specified in subsection (c-1) of this Section.

15      (d) For purposes of determining the required State  
16      contribution to the System, the value of the System's assets  
17      shall be equal to the actuarial value of the System's assets,  
18      which shall be calculated as follows:

19      As of June 30, 2008, the actuarial value of the System's  
20      assets shall be equal to the market value of the assets as of  
21      that date. In determining the actuarial value of the System's  
22      assets for fiscal years after June 30, 2008, any actuarial  
23      gains or losses from investment return incurred in a fiscal  
24      year shall be recognized in equal annual amounts over the  
25      5-year period following that fiscal year.

26      (e) For purposes of determining the required State

1 contribution to the system for a particular year, the actuarial  
2 value of assets shall be assumed to earn a rate of return equal  
3 to the system's actuarially assumed rate of return.

4 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09;  
5 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff.  
6 3-18-11; revised 4-6-11.)

7 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

8 Sec. 2-134. To certify required State contributions and  
9 submit vouchers.

10 (a) The Board shall certify to the Governor on or before  
11 December 15 of each year through ~~until~~ December 15, 2011 the  
12 amount of the required State contribution to the System for the  
13 next fiscal year ~~and shall specifically identify the System's~~  
14 ~~projected State normal cost for that fiscal year.~~ The  
15 certification shall include a copy of the actuarial  
16 recommendations upon which it is based ~~and shall specifically~~  
17 ~~identify the System's projected State normal cost for that~~  
18 ~~fiscal year.~~

19 (a-5) On or before November 1 of each year, beginning  
20 November 1, 2012, the Board shall submit to the State Actuary,  
21 the Governor, and the General Assembly a proposed certification  
22 of the amount of the required State contribution to the System  
23 for the next fiscal year, along with all of the actuarial  
24 assumptions, calculations, and data upon which that proposed  
25 certification is based. On or before January 1 of each year, l

1 beginning January 1, 2013, the State Actuary shall issue a  
2 preliminary report concerning the proposed certification and  
3 identifying, if necessary, recommended changes in actuarial  
4 assumptions that the Board must consider before finalizing its  
5 certification of the required State contributions.

6 On or before January 15, 2013 and every January 15  
7 thereafter, the Board shall certify to the Governor and the  
8 General Assembly the amount of the required State contribution  
9 for the next fiscal year. The Board's certification shall  
10 include a copy of the actuarial recommendations upon which it  
11 is based and shall specifically identify the System's projected  
12 State normal cost for that fiscal year. The Board's  
13 certification must note any deviations from the State Actuary's  
14 recommended changes, the reason or reasons for not following  
15 the State Actuary's recommended changes, and the fiscal impact  
16 of not following the State Actuary's recommended changes on the  
17 required State contribution.

18 (a-7) On or before May 1, 2004, the Board shall recalculate  
19 and recertify to the Governor the amount of the required State  
20 contribution to the System for State fiscal year 2005, taking  
21 into account the amounts appropriated to and received by the  
22 System under subsection (d) of Section 7.2 of the General  
23 Obligation Bond Act.

24 On or before July 1, 2005, the Board shall recalculate and  
25 recertify to the Governor the amount of the required State  
26 contribution to the System for State fiscal year 2006, taking

1 into account the changes in required State contributions made  
2 by this amendatory Act of the 94th General Assembly.

3 On or before April 1, 2011, the Board shall recalculate and  
4 recertify to the Governor the amount of the required State  
5 contribution to the System for State fiscal year 2011, applying  
6 the changes made by Public Act 96-889 to the System's assets  
7 and liabilities as of June 30, 2009 as though Public Act 96-889  
8 was approved on that date.

9 (b) Beginning in State fiscal year 1996, on or as soon as  
10 possible after the 15th day of each month the Board shall  
11 submit vouchers for payment of State contributions to the  
12 System, in a total monthly amount of one-twelfth of the  
13 required annual State contribution certified under subsection  
14 (a). From the effective date of this amendatory Act of the 93rd  
15 General Assembly through June 30, 2004, the Board shall not  
16 submit vouchers for the remainder of fiscal year 2004 in excess  
17 of the fiscal year 2004 certified contribution amount  
18 determined under this Section after taking into consideration  
19 the transfer to the System under subsection (d) of Section  
20 6z-61 of the State Finance Act. These vouchers shall be paid by  
21 the State Comptroller and Treasurer by warrants drawn on the  
22 funds appropriated to the System for that fiscal year. If in  
23 any month the amount remaining unexpended from all other  
24 appropriations to the System for the applicable fiscal year  
25 (including the appropriations to the System under Section 8.12  
26 of the State Finance Act and Section 1 of the State Pension

1 Funds Continuing Appropriation Act) is less than the amount  
2 lawfully vouchered under this Section, the difference shall be  
3 paid from the General Revenue Fund under the continuing  
4 appropriation authority provided in Section 1.1 of the State  
5 Pension Funds Continuing Appropriation Act.

6 (c) The full amount of any annual appropriation for the  
7 System for State fiscal year 1995 shall be transferred and made  
8 available to the System at the beginning of that fiscal year at  
9 the request of the Board. Any excess funds remaining at the end  
10 of any fiscal year from appropriations shall be retained by the  
11 System as a general reserve to meet the System's accrued  
12 liabilities.

13 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
14 97-694, eff. 6-18-12.)

15 (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

16 Sec. 7-109. Employee.

17 (1) "Employee" means any person who:

18 (a) 1. Receives earnings as payment for the performance  
19 of personal services or official duties out of the  
20 general fund of a municipality, or out of any special  
21 fund or funds controlled by a municipality, or by an  
22 instrumentality thereof, or a participating  
23 instrumentality, including, in counties, the fees or  
24 earnings of any county fee office; and

25 2. Under the usual common law rules applicable in

1           determining the employer-employee relationship, has  
2           the status of an employee with a municipality, or any  
3           instrumentality thereof, or a participating  
4           instrumentality, including aldermen, county  
5           supervisors and other persons (excepting those  
6           employed as independent contractors) who are paid  
7           compensation, fees, allowances or other emolument for  
8           official duties, and, in counties, the several county  
9           fee offices.

10          (b) Serves as a township treasurer appointed under the  
11          School Code, as heretofore or hereafter amended, and who  
12          receives for such services regular compensation as  
13          distinguished from per diem compensation, and any regular  
14          employee in the office of any township treasurer whether or  
15          not his earnings are paid from the income of the permanent  
16          township fund or from funds subject to distribution to the  
17          several school districts and parts of school districts as  
18          provided in the School Code, or from both such sources; or  
19          is the chief executive officer, chief educational officer,  
20          chief fiscal officer, or other employee of a Financial  
21          Oversight Panel established pursuant to Article 1H of the  
22          School Code, other than a superintendent or certified  
23          school business official, except that such person shall not  
24          be treated as an employee under this Section if that person  
25          has negotiated with the Financial Oversight Panel, in  
26          conjunction with the school district, a contractual

1 agreement for exclusion from this Section.

2 (c) Holds an elective office in a municipality,  
3 instrumentality thereof or participating instrumentality.

4 (2) "Employee" does not include persons who:

5 (a) Are eligible for inclusion under any of the  
6 following laws:

7 1. "An Act in relation to an Illinois State  
8 Teachers' Pension and Retirement Fund", approved May  
9 27, 1915, as amended;

10 2. Articles 15 and 16 of this Code.

11 However, such persons shall be included as employees to  
12 the extent of earnings that are not eligible for inclusion  
13 under the foregoing laws for services not of an  
14 instructional nature of any kind.

15 However, any member of the armed forces who is employed  
16 as a teacher of subjects in the Reserve Officers Training  
17 Corps of any school and who is not certified under the law  
18 governing the certification of teachers shall be included  
19 as an employee.

20 (b) Are designated by the governing body of a  
21 municipality in which a pension fund is required by law to  
22 be established for policemen or firemen, respectively, as  
23 performing police or fire protection duties, except that  
24 when such persons are the heads of the police or fire  
25 department and are not eligible to be included within any  
26 such pension fund, they shall be included within this

1 Article; provided, that such persons shall not be excluded  
2 to the extent of concurrent service and earnings not  
3 designated as being for police or fire protection duties.  
4 However, (i) any head of a police department who was a  
5 participant under this Article immediately before October  
6 1, 1977 and did not elect, under Section 3-109 of this Act,  
7 to participate in a police pension fund shall be an  
8 "employee", and (ii) any chief of police who elects to  
9 participate in this Fund under Section 3-109.1 of this  
10 Code, regardless of whether such person continues to be  
11 employed as chief of police or is employed in some other  
12 rank or capacity within the police department, shall be an  
13 employee under this Article for so long as such person is  
14 employed to perform police duties by a participating  
15 municipality and has not lawfully rescinded that election.

16 (c) After August 26, 2011 (the effective date of Public  
17 Act 97-609) ~~this amendatory Act of the 97th General~~  
18 ~~Assembly~~, are contributors to or eligible to contribute to  
19 a Taft-Hartley pension plan established on or before June  
20 1, 2011 and are employees of a theatre, arena, or  
21 convention center that is located in a municipality located  
22 in a county with a population greater than 5,000,000, and  
23 to which the participating municipality is required to  
24 contribute as the person's employer based on earnings from  
25 the municipality. Nothing in this paragraph shall affect  
26 service credit or creditable service for any period of

1 service prior to August 26, 2011 ~~the effective date of this~~  
2 ~~amendatory Act of the 97th General Assembly~~, and this  
3 paragraph shall not apply to individuals who are  
4 participating in the Fund prior to August 26, 2011 ~~the~~  
5 ~~effective date of this amendatory Act of the 97th General~~  
6 ~~Assembly.~~

7 (d) Become an employee of any of the following  
8 participating instrumentalities on or after the effective  
9 date of this amendatory Act of the 97th General Assembly:  
10 the Illinois Municipal League; the Illinois Association of  
11 Park Districts; the Illinois Supervisors, County  
12 Commissioners and Superintendents of Highways Association;  
13 an association, or not-for-profit corporation, membership  
14 in which is authorized under Section 85-15 of the Township  
15 Code; the United Counties Council; or the Will County  
16 Governmental League.

17 (3) All persons, including, without limitation, public  
18 defenders and probation officers, who receive earnings from  
19 general or special funds of a county for performance of  
20 personal services or official duties within the territorial  
21 limits of the county, are employees of the county (unless  
22 excluded by subsection (2) of this Section) notwithstanding  
23 that they may be appointed by and are subject to the direction  
24 of a person or persons other than a county board or a county  
25 officer. It is hereby established that an employer-employee  
26 relationship under the usual common law rules exists between

1 such employees and the county paying their salaries by reason  
2 of the fact that the county boards fix their rates of  
3 compensation, appropriate funds for payment of their earnings  
4 and otherwise exercise control over them. This finding and this  
5 amendatory Act shall apply to all such employees from the date  
6 of appointment whether such date is prior to or after the  
7 effective date of this amendatory Act and is intended to  
8 clarify existing law pertaining to their status as  
9 participating employees in the Fund.

10 (Source: P.A. 97-429, eff. 8-16-11; 97-609, eff. 8-26-11;  
11 revised 9-28-11.)

12 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

13 Sec. 14-103.10. Compensation.

14 (a) For periods of service prior to January 1, 1978, the  
15 full rate of salary or wages payable to an employee for  
16 personal services performed if he worked the full normal  
17 working period for his position, subject to the following  
18 maximum amounts: (1) prior to July 1, 1951, \$400 per month or  
19 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957  
20 inclusive, \$625 per month or \$7,500 per year; (3) beginning  
21 July 1, 1957, no limitation.

22 In the case of service of an employee in a position  
23 involving part-time employment, compensation shall be  
24 determined according to the employees' earnings record.

25 (b) For periods of service on and after January 1, 1978,

1 all remuneration for personal services performed defined as  
2 "wages" under the Social Security Enabling Act, including that  
3 part of such remuneration which is in excess of any maximum  
4 limitation provided in such Act, and including any benefits  
5 received by an employee under a sick pay plan in effect before  
6 January 1, 1981, but excluding lump sum salary payments:

7 (1) for vacation,

8 (2) for accumulated unused sick leave,

9 (3) upon discharge or dismissal,

10 (4) for approved holidays.

11 (c) For periods of service on or after December 16, 1978,  
12 compensation also includes any benefits, other than lump sum  
13 salary payments made at termination of employment, which an  
14 employee receives or is eligible to receive under a sick pay  
15 plan authorized by law.

16 (d) For periods of service after September 30, 1985,  
17 compensation also includes any remuneration for personal  
18 services not included as "wages" under the Social Security  
19 Enabling Act, which is deducted for purposes of participation  
20 in a program established pursuant to Section 125 of the  
21 Internal Revenue Code or its successor laws.

22 (e) For members for which Section 1-160 applies for periods  
23 of service on and after January 1, 2011, all remuneration for  
24 personal services performed defined as "wages" under the Social  
25 Security Enabling Act, excluding remuneration that is in excess  
26 of the annual earnings, salary, or wages of a member or

1 participant, as provided in subsection (b-5) of Section 1-160,  
2 but including any benefits received by an employee under a sick  
3 pay plan in effect before January 1, 1981. Compensation shall  
4 exclude lump sum salary payments:

5 (1) for vacation;

6 (2) for accumulated unused sick leave;

7 (3) upon discharge or dismissal; and

8 (4) for approved holidays.

9 (f) Notwithstanding any other provision of this Section,  
10 "compensation" does not include any future increase in income  
11 offered by a department under this Article pursuant to the  
12 requirements of subsection (c) of Section 14-106.5 that is  
13 accepted by a Tier I employee, or a Tier I retiree returning to  
14 active service, who has made an election under paragraph (2) of  
15 subsection (a) or (a-5) of Section 14-106.5.

16 (g) Notwithstanding the other provisions of this Section,  
17 for an employee who first becomes a participant on or after the  
18 effective date of this amendatory Act of the 97th General  
19 Assembly, "compensation" does not include any payments or  
20 reimbursements for travel vouchers.

21 (Source: P.A. 96-1490, eff. 1-1-11.)

22 (40 ILCS 5/14-103.40 new)

23 Sec. 14-103.40. Tier I employee. "Tier I employee": An  
24 employee under this Article who first became a member or  
25 participant before January 1, 2011 under any reciprocal

1 retirement system or pension fund established under this Code  
2 other than a retirement system or pension fund established  
3 under Article 2, 3, 4, 5, 6, or 18 of this Code.

4 (40 ILCS 5/14-103.41 new)

5 Sec. 14-103.41. Tier I retiree. "Tier I retiree": A former  
6 Tier I employee who is receiving a retirement annuity.

7 (40 ILCS 5/14-103.42 new)

8 Sec. 14-103.42. Future increase in income. "Future  
9 increase in income": Any increase in income in any form offered  
10 by a department to an employee under this Article after June  
11 30, 2014 that would qualify as "compensation", as defined under  
12 Section 14-103.10, but for the fact that the department offered  
13 the increase in income to the employee on the condition that it  
14 not qualify as compensation and the employee accepted the  
15 increase in income subject to that condition. The term "future  
16 increase in income" does not include an increase in income in  
17 any form that is paid to a Tier I employee under an employment  
18 contract or collective bargaining agreement that is in effect  
19 on the effective date of this Section but does include an  
20 increase in income in any form pursuant to an extension,  
21 amendment, or renewal of any such employment contract or  
22 collective bargaining agreement on or after the effective date  
23 of this amendatory Act of the 97th General Assembly.

1 (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)

2 Sec. 14-106. Membership service credit.

3 (a) After January 1, 1944, all service of a member since he  
4 last became a member with respect to which contributions are  
5 made shall count as membership service; provided, that for  
6 service on and after July 1, 1950, 12 months of service shall  
7 constitute a year of membership service, the completion of 15  
8 days or more of service during any month shall constitute 1  
9 month of membership service, 8 to 15 days shall constitute 1/2  
10 month of membership service and less than 8 days shall  
11 constitute 1/4 month of membership service. The payroll record  
12 of each department shall constitute conclusive evidence of the  
13 record of service rendered by a member.

14 (b) For a member who is employed and paid on an  
15 academic-year basis rather than on a 12-month annual basis,  
16 employment for a full academic year shall constitute a full  
17 year of membership service, except that the member shall not  
18 receive more than one year of membership service credit (plus  
19 any additional service credit granted for unused sick leave)  
20 for service during any 12-month period. This subsection (b)  
21 applies to all such service for which the member has not begun  
22 to receive a retirement annuity before January 1, 2001.

23 (c) A member who first participated in this System before  
24 the effective date of this amendatory Act of the 97th General  
25 Assembly shall be entitled to additional service credit, under  
26 rules prescribed by the Board, for accumulated unused sick

1 leave credited to his account in the last Department on the  
2 date of withdrawal from service or for any period for which he  
3 would have been eligible to receive benefits under a sick pay  
4 plan authorized by law, if he had suffered a sickness or  
5 accident on the date of withdrawal from service. It shall be  
6 the responsibility of the last Department to certify to the  
7 Board the length of time salary or benefits would have been  
8 paid to the member based upon the accumulated unused sick leave  
9 or the applicable sick pay plan if he had become entitled  
10 thereto because of sickness on the date that his status as an  
11 employee terminated. This period of service credit granted  
12 under this paragraph shall not be considered in determining the  
13 date the retirement annuity is to begin, or final average  
14 compensation.

15 Service credit is not available for unused sick leave  
16 accumulated by a person who first participates in this System  
17 on or after the effective date of this amendatory Act of the  
18 97th General Assembly.

19 (Source: P.A. 92-14, eff. 6-28-01.)

20 (40 ILCS 5/14-106.5 new)

21 Sec. 14-106.5. Election by Tier I employees and Tier I  
22 retirees.

23 (a) Each Tier I employee shall make an irrevocable election  
24 either:

25 (1) to agree to the following:

1           (i) to have the amount of the automatic annual  
2           increases in his or her retirement annuity that are  
3           otherwise provided for in this Article calculated,  
4           instead, as provided in subsection (a-1) of Section  
5           14-114; and

6           (ii) to have his or her eligibility for automatic  
7           annual increases in retirement annuity postponed as  
8           provided in subsection (a-2) of Section 14-114; or

9           (2) to not agree to items (i) and (ii) as set forth in  
10          paragraph (1) of this subsection.

11          The election required under this subsection (a) shall be  
12          made by each Tier I employee no earlier than January 1, 2014  
13          and no later than May 31, 2014, except that:

14           (i) a person who becomes a Tier I employee under this  
15           Article after January 1, 2014 must make the election under  
16           this subsection (a) within 60 days after becoming a Tier I  
17           employee;

18           (ii) a person who returns to active service as a Tier I  
19           employee under this Article after January 1, 2014 and has  
20           not yet made an election under this Section must make the  
21           election under this subsection (a) within 60 days after  
22           returning to active service as a Tier I employee; and

23           (iii) a person who made the election under subsection  
24           (a-5) as a Tier I retiree remains bound by that election  
25           and shall not make a later election under this subsection  
26           (a).

1       If a Tier I employee fails for any reason to make a  
2 required election under this subsection within the time  
3 specified, then the employee shall be deemed to have made the  
4 election under paragraph (2) of this subsection.

5       (a-5) Each Tier I retiree shall make an irrevocable  
6 election either:

7           (1) to agree to the following:

8               (i) to have the amount of the automatic annual  
9 increases in his or her retirement annuity that are  
10 otherwise provided for in this Article calculated,  
11 instead, as provided in subsection (a-1) of Section  
12 14-114; and

13               (ii) to have his or her eligibility for automatic  
14 annual increases in retirement annuity postponed as  
15 provided in subsection (a-2) of Section 14-114; or

16           (2) to not agree to items (i) and (ii) as set forth in  
17 paragraph (1) of this subsection.

18       The election required under this subsection (a-5) shall be  
19 made by each Tier I retiree no earlier than January 1, 2014 and  
20 no later than May 31, 2014, except that:

21           (i) a person who becomes a Tier I retiree under this  
22 Article on or after January 1, 2014 must make the election  
23 under this subsection (a-5) within 60 days after becoming a  
24 Tier I retiree; and

25           (ii) a person who made the election under subsection  
26 (a) as a Tier I employee remains bound by that election and

1       shall not make a later election under this subsection  
2       (a-5).

3       If a Tier I retiree fails for any reason to make a required  
4       election under this subsection within the time specified, then  
5       the Tier I retiree shall be deemed to have made the election  
6       under paragraph (2) of this subsection.

7       (a-10) All elections under subsection (a) or (a-5) that are  
8       made or deemed to be made before June 1, 2014 shall take effect  
9       on July 1, 2014. Elections that are made or deemed to be made  
10       on or after June 1, 2014 shall take effect on the first day of  
11       the month following the month in which the election is made or  
12       deemed to be made.

13       (b) As adequate and legal consideration provided under this  
14       amendatory Act of the 97th General Assembly for making the  
15       election under paragraph (1) of subsection (a) of this Section,  
16       any future increases in income offered by a department under  
17       this Article to a Tier I employee who has made the election  
18       under paragraph (1) of subsection (a) of this Section shall be  
19       offered expressly and irrevocably as constituting compensation  
20       under Section 14-103.10. In addition, a Tier I employee who has  
21       made the election under paragraph (1) of subsection (a) of this  
22       Section shall receive the right to also participate in the  
23       optional cash balance plan established under Section 1-162.

24       As adequate and legal consideration provided under this  
25       amendatory Act of the 97th General Assembly for making the  
26       election under paragraph (1) of subsection (a-5) of this

1 Section, any future increases in income offered by a department  
2 under this Article to a Tier I retiree who returns to active  
3 service after having made the election under paragraph (1) of  
4 subsection (a-5) of this Section shall be offered expressly and  
5 irrevocably as constituting compensation under Section  
6 14-103.10. In addition, a Tier I retiree who returns to active  
7 service and has made the election under paragraph (1) of  
8 subsection (a) of this Section shall receive the right to also  
9 participate in the optional cash balance plan established under  
10 Section 1-162.

11 (c) A Tier I employee who makes the election under  
12 paragraph (2) of subsection (a) of this Section shall not be  
13 subject to items (i) and (ii) set forth in paragraph (1) of  
14 subsection (a) of this Section. However, any future increases  
15 in income offered by a department under this Article to a Tier  
16 I employee who has made the election under paragraph (2) of  
17 subsection (a) of this Section shall be offered by the  
18 department expressly and irrevocably as not constituting  
19 compensation under Section 14-103.10, and the employee may not  
20 accept any future increase in income that is offered in  
21 violation of this requirement. In addition, a Tier I employee  
22 who has made the election under paragraph (2) of subsection (a)  
23 of this Section shall not receive the right to participate in  
24 the optional cash balance plan established under Section 1-162.

25 A Tier I retiree who makes the election under paragraph (2)  
26 of subsection (a-5) of this Section shall not be subject to

1 items (i) and (ii) set forth in paragraph (1) of subsection  
2 (a-5) of this Section. However, any future increases in income  
3 offered by a department under this Article to a Tier I retiree  
4 who returns to active service and has made the election under  
5 paragraph (2) of subsection (a-5) of this Section shall be  
6 offered by the department expressly and irrevocably as not  
7 constituting compensation under Section 14-103.10, and the  
8 employee may not accept any future increase in income that is  
9 offered in violation of this requirement. In addition, a Tier I  
10 retiree who returns to active service and has made the election  
11 under paragraph (2) of subsection (a) of this Section shall not  
12 receive the right to participate in the optional cash balance  
13 plan established under Section 1-162.

14 (d) The System shall make a good faith effort to contact  
15 each Tier I employee and Tier I retiree subject to this  
16 Section. The System shall mail information describing the  
17 required election to each Tier I employee and Tier I retiree by  
18 United States Postal Service mail to his or her last known  
19 address on file with the System. If the Tier I employee or Tier  
20 I retiree is not responsive to other means of contact, it is  
21 sufficient for the System to publish the details of any  
22 required elections on its website or to publish those details  
23 in a regularly published newsletter or other existing public  
24 forum.

25 Tier I employees and Tier I retirees who are subject to  
26 this Section shall be provided with an election packet

1 containing information regarding their options, as well as the  
2 forms necessary to make the required election. Upon request,  
3 the System shall offer Tier I employees and Tier I retirees an  
4 opportunity to receive information from the System before  
5 making the required election. The information may consist of  
6 video materials, group presentations, individual consultation  
7 with a member or authorized representative of the System in  
8 person or by telephone or other electronic means, or any  
9 combination of those methods. The System shall not provide  
10 advice or counseling with respect to which election a Tier I  
11 employee or Tier I retiree should make or specific to the legal  
12 or tax circumstances of or consequences to the Tier I employee  
13 or Tier I retiree.

14 The System shall inform Tier I employees and Tier I  
15 retirees in the election packet required under this subsection  
16 that the Tier I employee or Tier I retiree may also wish to  
17 obtain information and counsel relating to the election  
18 required under this Section from any other available source,  
19 including but not limited to labor organizations and private  
20 counsel.

21 In no event shall the System, its staff, or the Board be  
22 held liable for any information given to a member, beneficiary,  
23 or annuitant regarding the elections under this Section. The  
24 System shall coordinate with the Illinois Department of Central  
25 Management Services and each other retirement system  
26 administering an election in accordance with this amendatory

1 Act of the 97th General Assembly to provide information  
2 concerning the impact of the election set forth in this  
3 Section.

4 (e) Notwithstanding any other provision of law, a  
5 department under this Article is required to offer any future  
6 increases in income expressly and irrevocably as not  
7 constituting "compensation" under Section 14-103.10 to any  
8 Tier I employee, or Tier I retiree returning to active service,  
9 who has made an election under paragraph (2) of subsection (a)  
10 or (a-5) of Section 14-106.5. A Tier I employee, or Tier I  
11 retiree returning to active service, who has made an election  
12 under paragraph (2) of subsection (a) or (a-5) of Section  
13 14-106.5 shall not accept any future increase in income that is  
14 offered by an employer under this Article in violation of the  
15 requirement set forth in this subsection.

16 (f) A member's election under this Section is not a  
17 prohibited election under subdivision (j)(1) of Section 1-119  
18 of this Code.

19 (g) An employee who has made the election under paragraph  
20 (1) of subsection (a) or (a-5) of this Section may elect to  
21 participate in the optional cash balance plan under Section  
22 1-162.

23 The election to participate in the optional cash balance  
24 plan shall be made in writing, in the manner provided by the  
25 applicable retirement system.

26 (h) No provision of this Section shall be interpreted in a

1 way that would cause the System to cease to be a qualified plan  
2 under Section 401 (a) of the Internal Revenue Code of 1986.

3 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

4 Sec. 14-114. Automatic increase in retirement annuity.

5 (a) Subject to the provisions of subsections (a-1) and  
6 (a-2), any ~~Any~~ person receiving a retirement annuity under this  
7 Article who retires having attained age 60, or who retires  
8 before age 60 having at least 35 years of creditable service,  
9 or who retires on or after January 1, 2001 at an age which,  
10 when added to the number of years of his or her creditable  
11 service, equals at least 85, shall, on January 1 next following  
12 the first full year of retirement, have the amount of the then  
13 fixed and payable monthly retirement annuity increased 3%. Any  
14 person receiving a retirement annuity under this Article who  
15 retires before attainment of age 60 and with less than (i) 35  
16 years of creditable service if retirement is before January 1,  
17 2001, or (ii) the number of years of creditable service which,  
18 when added to the member's age, would equal 85, if retirement  
19 is on or after January 1, 2001, shall have the amount of the  
20 fixed and payable retirement annuity increased by 3% on the  
21 January 1 occurring on or next following (1) attainment of age  
22 60, or (2) the first anniversary of retirement, whichever  
23 occurs later. However, for persons who receive the alternative  
24 retirement annuity under Section 14-110, references in this  
25 subsection (a) to attainment of age 60 shall be deemed to refer

1 to attainment of age 55. For a person receiving early  
2 retirement incentives under Section 14-108.3 whose retirement  
3 annuity began after January 1, 1992 pursuant to an extension  
4 granted under subsection (e) of that Section, the first  
5 anniversary of retirement shall be deemed to be January 1,  
6 1993. For a person who retires on or after June 28, 2001 and on  
7 or before October 1, 2001, and whose retirement annuity is  
8 calculated, in whole or in part, under Section 14-110 or  
9 subsection (g) or (h) of Section 14-108, the first anniversary  
10 of retirement shall be deemed to be January 1, 2002.

11 On each January 1 following the date of the initial  
12 increase under this subsection, the employee's monthly  
13 retirement annuity shall be increased by an additional 3%.

14 Beginning January 1, 1990 and except as provided in  
15 subsections (a-1) and (a-2), all automatic annual increases  
16 payable under this Section shall be calculated as a percentage  
17 of the total annuity payable at the time of the increase,  
18 including previous increases granted under this Article.

19 (a-1) Notwithstanding any other provision of this Article,  
20 for a Tier I employee or Tier I retiree who made the election  
21 under paragraph (1) of subsection (a) or (a-5) of Section  
22 14-106.5, the amount of each automatic annual increase in  
23 retirement annuity occurring on or after the effective date of  
24 that election shall be 3% or one-half of the annual unadjusted  
25 percentage increase, if any, in the Consumer Price Index-U for  
26 the 12 months ending with the preceding September, whichever is

1 less, of the originally granted retirement annuity. For the  
2 purposes of this Section, "Consumer Price Index-U" means the  
3 index published by the Bureau of Labor Statistics of the United  
4 States Department of Labor that measures the average change in  
5 prices of goods and services purchased by all urban consumers,  
6 United States city average, all items, 1982-84 = 100.

7 (a-2) Notwithstanding any other provision of this Article,  
8 for a Tier I employee or Tier I retiree who made the election  
9 under paragraph (1) of subsection (a) or (a-5) of Section  
10 14-106.5, the monthly retirement annuity shall first be subject  
11 to annual increases on the January 1 occurring on or next after  
12 either the attainment of age 67 or the January 1 occurring on  
13 or next after the fifth anniversary of the annuity start date,  
14 whichever occurs earlier. If on the effective date of the  
15 election under paragraph (1) of subsection (a-5) of Section  
16 14-106.5 a Tier I retiree has already received an annual  
17 increase under this Section but does not yet meet the new  
18 eligibility requirements of this subsection, the annual  
19 increases already received shall continue in force, but no  
20 additional annual increase shall be granted until the Tier I  
21 retiree meets the new eligibility requirements.

22 (b) The provisions of subsection (a) of this Section shall  
23 be applicable to an employee only if the employee makes the  
24 additional contributions required after December 31, 1969 for  
25 the purpose of the automatic increases for not less than the  
26 equivalent of one full year. If an employee becomes an

1 annuitant before his additional contributions equal one full  
2 year's contributions based on his salary at the date of  
3 retirement, the employee may pay the necessary balance of the  
4 contributions to the system, without interest, and be eligible  
5 for the increasing annuity authorized by this Section.

6 (c) The provisions of subsection (a) of this Section shall  
7 not be applicable to any annuitant who is on retirement on  
8 December 31, 1969, and thereafter returns to State service,  
9 unless the member has established at least one year of  
10 additional creditable service following reentry into service.

11 (d) In addition to other increases which may be provided by  
12 this Section, on January 1, 1981 any annuitant who was  
13 receiving a retirement annuity on or before January 1, 1971  
14 shall have his retirement annuity then being paid increased \$1  
15 per month for each year of creditable service. On January 1,  
16 1982, any annuitant who began receiving a retirement annuity on  
17 or before January 1, 1977, shall have his retirement annuity  
18 then being paid increased \$1 per month for each year of  
19 creditable service.

20 On January 1, 1987, any annuitant who began receiving a  
21 retirement annuity on or before January 1, 1977, shall have the  
22 monthly retirement annuity increased by an amount equal to 8¢  
23 per year of creditable service times the number of years that  
24 have elapsed since the annuity began.

25 (e) Every person who receives the alternative retirement  
26 annuity under Section 14-110 and who is eligible to receive the

1 3% increase under subsection (a) on January 1, 1986, shall also  
2 receive on that date a one-time increase in retirement annuity  
3 equal to the difference between (1) his actual retirement  
4 annuity on that date, including any increases received under  
5 subsection (a), and (2) the amount of retirement annuity he  
6 would have received on that date if the amendments to  
7 subsection (a) made by Public Act 84-162 had been in effect  
8 since the date of his retirement.

9 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;  
10 92-651, eff. 7-11-02.)

11 (40 ILCS 5/14-131)

12 Sec. 14-131. Contributions by State.

13 (a) Except as otherwise provided in this Section, the ~~The~~  
14 State shall make contributions to the System by appropriations  
15 of amounts which, together with other employer contributions  
16 from trust, federal, and other funds, employee contributions,  
17 investment income, and other income, will be sufficient to meet  
18 the cost of maintaining and administering the System on a 90%  
19 funded basis in accordance with actuarial recommendations.

20 For the purposes of this Section and Section 14-135.08,  
21 references to State contributions refer only to employer  
22 contributions and do not include employee contributions that  
23 are picked up or otherwise paid by the State or a department on  
24 behalf of the employee.

25 (b) The Board shall determine the total amount of State

1 contributions required for each fiscal year on the basis of the  
2 actuarial tables and other assumptions adopted by the Board,  
3 using the formula in subsection (e).

4 The Board shall also determine a State contribution rate  
5 for each fiscal year, expressed as a percentage of payroll,  
6 based on the total required State contribution for that fiscal  
7 year (less the amount received by the System from  
8 appropriations under Section 8.12 of the State Finance Act and  
9 Section 1 of the State Pension Funds Continuing Appropriation  
10 Act, if any, for the fiscal year ending on the June 30  
11 immediately preceding the applicable November 15 certification  
12 deadline), the estimated payroll (including all forms of  
13 compensation) for personal services rendered by eligible  
14 employees, and the recommendations of the actuary.

15 For the purposes of this Section and Section 14.1 of the  
16 State Finance Act, the term "eligible employees" includes  
17 employees who participate in the System, persons who may elect  
18 to participate in the System but have not so elected, persons  
19 who are serving a qualifying period that is required for  
20 participation, and annuitants employed by a department as  
21 described in subdivision (a) (1) or (a) (2) of Section 14-111.

22 (c) Contributions shall be made by the several departments  
23 for each pay period by warrants drawn by the State Comptroller  
24 against their respective funds or appropriations based upon  
25 vouchers stating the amount to be so contributed. These amounts  
26 shall be based on the full rate certified by the Board under

1 Section 14-135.08 for that fiscal year. From the effective date  
2 of this amendatory Act of the 93rd General Assembly through the  
3 payment of the final payroll from fiscal year 2004  
4 appropriations, the several departments shall not make  
5 contributions for the remainder of fiscal year 2004 but shall  
6 instead make payments as required under subsection (a-1) of  
7 Section 14.1 of the State Finance Act. The several departments  
8 shall resume those contributions at the commencement of fiscal  
9 year 2005.

10 (c-1) Notwithstanding subsection (c) of this Section, for  
11 fiscal years 2010, 2012, and 2013 only, contributions by the  
12 several departments are not required to be made for General  
13 Revenue Funds payrolls processed by the Comptroller. Payrolls  
14 paid by the several departments from all other State funds must  
15 continue to be processed pursuant to subsection (c) of this  
16 Section.

17 (c-2) For State fiscal years 2010, 2012, and 2013 only, on  
18 or as soon as possible after the 15th day of each month, the  
19 Board shall submit vouchers for payment of State contributions  
20 to the System, in a total monthly amount of one-twelfth of the  
21 fiscal year General Revenue Fund contribution as certified by  
22 the System pursuant to Section 14-135.08 of the Illinois  
23 Pension Code.

24 (d) If an employee is paid from trust funds or federal  
25 funds, the department or other employer shall pay employer  
26 contributions from those funds to the System at the certified

1 rate, unless the terms of the trust or the federal-State  
2 agreement preclude the use of the funds for that purpose, in  
3 which case the required employer contributions shall be paid by  
4 the State. From the effective date of this amendatory Act of  
5 the 93rd General Assembly through the payment of the final  
6 payroll from fiscal year 2004 appropriations, the department or  
7 other employer shall not pay contributions for the remainder of  
8 fiscal year 2004 but shall instead make payments as required  
9 under subsection (a-1) of Section 14.1 of the State Finance  
10 Act. The department or other employer shall resume payment of  
11 contributions at the commencement of fiscal year 2005.

12 (e) Except as otherwise provided in this Section, for ~~For~~  
13 State fiscal years 2012 through 2045, the minimum contribution  
14 to the System to be made by the State for each fiscal year  
15 shall be an amount determined by the System to be sufficient to  
16 bring the total assets of the System up to 90% of the total  
17 actuarial liabilities of the System by the end of State fiscal  
18 year 2045. In making these determinations, the required State  
19 contribution shall be calculated each year as a level  
20 percentage of payroll over the years remaining to and including  
21 fiscal year 2045 and shall be determined under the projected  
22 unit credit actuarial cost method.

23 For State fiscal years 1996 through 2005, the State  
24 contribution to the System, as a percentage of the applicable  
25 employee payroll, shall be increased in equal annual increments  
26 so that by State fiscal year 2011, the State is contributing at

1 the rate required under this Section; except that (i) for State  
2 fiscal year 1998, for all purposes of this Code and any other  
3 law of this State, the certified percentage of the applicable  
4 employee payroll shall be 5.052% for employees earning eligible  
5 creditable service under Section 14-110 and 6.500% for all  
6 other employees, notwithstanding any contrary certification  
7 made under Section 14-135.08 before the effective date of this  
8 amendatory Act of 1997, and (ii) in the following specified  
9 State fiscal years, the State contribution to the System shall  
10 not be less than the following indicated percentages of the  
11 applicable employee payroll, even if the indicated percentage  
12 will produce a State contribution in excess of the amount  
13 otherwise required under this subsection and subsection (a):  
14 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY  
15 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

16 Notwithstanding any other provision of this Article, the  
17 total required State contribution to the System for State  
18 fiscal year 2006 is \$203,783,900.

19 Notwithstanding any other provision of this Article, the  
20 total required State contribution to the System for State  
21 fiscal year 2007 is \$344,164,400.

22 For each of State fiscal years 2008 through 2009, the State  
23 contribution to the System, as a percentage of the applicable  
24 employee payroll, shall be increased in equal annual increments  
25 from the required State contribution for State fiscal year  
26 2007, so that by State fiscal year 2011, the State is

1 contributing at the rate otherwise required under this Section.

2 Notwithstanding any other provision of this Article, the  
3 total required State General Revenue Fund contribution for  
4 State fiscal year 2010 is \$723,703,100 and shall be made from  
5 the proceeds of bonds sold in fiscal year 2010 pursuant to  
6 Section 7.2 of the General Obligation Bond Act, less (i) the  
7 pro rata share of bond sale expenses determined by the System's  
8 share of total bond proceeds, (ii) any amounts received from  
9 the General Revenue Fund in fiscal year 2010, and (iii) any  
10 reduction in bond proceeds due to the issuance of discounted  
11 bonds, if applicable.

12 Notwithstanding any other provision of this Article, the  
13 total required State General Revenue Fund contribution for  
14 State fiscal year 2011 is the amount recertified by the System  
15 on or before April 1, 2011 pursuant to Section 14-135.08 and  
16 shall be made from the proceeds of bonds sold in fiscal year  
17 2011 pursuant to Section 7.2 of the General Obligation Bond  
18 Act, less (i) the pro rata share of bond sale expenses  
19 determined by the System's share of total bond proceeds, (ii)  
20 any amounts received from the General Revenue Fund in fiscal  
21 year 2011, and (iii) any reduction in bond proceeds due to the  
22 issuance of discounted bonds, if applicable.

23 Except as otherwise provided in this Section, beginning  
24 ~~Beginning~~ in State fiscal year 2046, the minimum State  
25 contribution for each fiscal year shall be the amount needed to  
26 maintain the total assets of the System at 90% of the total

1 actuarial liabilities of the System.

2       Amounts received by the System pursuant to Section 25 of  
3 the Budget Stabilization Act or Section 8.12 of the State  
4 Finance Act in any fiscal year do not reduce and do not  
5 constitute payment of any portion of the minimum State  
6 contribution required under this Article in that fiscal year.  
7 Such amounts shall not reduce, and shall not be included in the  
8 calculation of, the required State contributions under this  
9 Article in any future year until the System has reached a  
10 funding ratio of at least 90%. A reference in this Article to  
11 the "required State contribution" or any substantially similar  
12 term does not include or apply to any amounts payable to the  
13 System under Section 25 of the Budget Stabilization Act.

14       Notwithstanding any other provision of this Section, the  
15 required State contribution for State fiscal year 2005 and for  
16 fiscal year 2008 and each fiscal year thereafter, as calculated  
17 under this Section and certified under Section 14-135.08, shall  
18 not exceed an amount equal to (i) the amount of the required  
19 State contribution that would have been calculated under this  
20 Section for that fiscal year if the System had not received any  
21 payments under subsection (d) of Section 7.2 of the General  
22 Obligation Bond Act, minus (ii) the portion of the State's  
23 total debt service payments for that fiscal year on the bonds  
24 issued in fiscal year 2003 for the purposes of that Section  
25 7.2, as determined and certified by the Comptroller, that is  
26 the same as the System's portion of the total moneys

1 distributed under subsection (d) of Section 7.2 of the General  
2 Obligation Bond Act. In determining this maximum for State  
3 fiscal years 2008 through 2010, however, the amount referred to  
4 in item (i) shall be increased, as a percentage of the  
5 applicable employee payroll, in equal increments calculated  
6 from the sum of the required State contribution for State  
7 fiscal year 2007 plus the applicable portion of the State's  
8 total debt service payments for fiscal year 2007 on the bonds  
9 issued in fiscal year 2003 for the purposes of Section 7.2 of  
10 the General Obligation Bond Act, so that, by State fiscal year  
11 2011, the State is contributing at the rate otherwise required  
12 under this Section.

13 (e-1) If at least 50% of Tier I employees making an  
14 election under Section 14-106.5 before June 1, 2014 choose the  
15 option under paragraph (1) of subsection (a) of that Section,  
16 then:

17 (1) In lieu of the State contributions required under  
18 subsection (e), for State fiscal years 2015 through 2044  
19 the minimum contribution to the System to be made by the  
20 State for each fiscal year shall be an amount determined by  
21 the System to be equal to the sum of (1) the State's  
22 portion of the projected normal cost for that fiscal year,  
23 plus (2) an amount sufficient to bring the total assets of  
24 the System up to 100% of the total actuarial liabilities of  
25 the System by the end of State fiscal year 2044. In making  
26 these determinations, the required State contribution

1       shall be calculated each year as a level percentage of  
2       payroll over the years remaining to and including fiscal  
3       year 2044 and shall be determined under the projected unit  
4       credit actuarial cost method.

5       (2) Beginning in State fiscal year 2045, the minimum  
6       State contribution for each fiscal year shall be the amount  
7       needed to maintain the total assets of the System at 100%  
8       of the total actuarial liabilities of the System.

9       (e-2) If less than 50% of Tier I employees making an  
10      election under Section 14-106.5 before June 1, 2014 choose the  
11      option under paragraph (1) of subsection (a) of that Section,  
12      then:

13      (1) Instead of the annual required contribution  
14      otherwise specified in subsection (e-1) of this Section,  
15      the annual required contribution to the System to be made  
16      by the State shall be determined under subsection (e) of  
17      this Section.

18      (2) As soon as possible after June 1, 2015, the Board  
19      shall recertify the annual required contribution by the  
20      State for State fiscal year 2016.

21      (f) After the submission of all payments for eligible  
22      employees from personal services line items in fiscal year 2004  
23      have been made, the Comptroller shall provide to the System a  
24      certification of the sum of all fiscal year 2004 expenditures  
25      for personal services that would have been covered by payments  
26      to the System under this Section if the provisions of this

1 amendatory Act of the 93rd General Assembly had not been  
2 enacted. Upon receipt of the certification, the System shall  
3 determine the amount due to the System based on the full rate  
4 certified by the Board under Section 14-135.08 for fiscal year  
5 2004 in order to meet the State's obligation under this  
6 Section. The System shall compare this amount due to the amount  
7 received by the System in fiscal year 2004 through payments  
8 under this Section and under Section 6z-61 of the State Finance  
9 Act. If the amount due is more than the amount received, the  
10 difference shall be termed the "Fiscal Year 2004 Shortfall" for  
11 purposes of this Section, and the Fiscal Year 2004 Shortfall  
12 shall be satisfied under Section 1.2 of the State Pension Funds  
13 Continuing Appropriation Act. If the amount due is less than  
14 the amount received, the difference shall be termed the "Fiscal  
15 Year 2004 Overpayment" for purposes of this Section, and the  
16 Fiscal Year 2004 Overpayment shall be repaid by the System to  
17 the Pension Contribution Fund as soon as practicable after the  
18 certification.

19 (g) For purposes of determining the required State  
20 contribution to the System, the value of the System's assets  
21 shall be equal to the actuarial value of the System's assets,  
22 which shall be calculated as follows:

23 As of June 30, 2008, the actuarial value of the System's  
24 assets shall be equal to the market value of the assets as of  
25 that date. In determining the actuarial value of the System's  
26 assets for fiscal years after June 30, 2008, any actuarial

1 gains or losses from investment return incurred in a fiscal  
2 year shall be recognized in equal annual amounts over the  
3 5-year period following that fiscal year.

4 (h) For purposes of determining the required State  
5 contribution to the System for a particular year, the actuarial  
6 value of assets shall be assumed to earn a rate of return equal  
7 to the System's actuarially assumed rate of return.

8 (i) After the submission of all payments for eligible  
9 employees from personal services line items paid from the  
10 General Revenue Fund in fiscal year 2010 have been made, the  
11 Comptroller shall provide to the System a certification of the  
12 sum of all fiscal year 2010 expenditures for personal services  
13 that would have been covered by payments to the System under  
14 this Section if the provisions of this amendatory Act of the  
15 96th General Assembly had not been enacted. Upon receipt of the  
16 certification, the System shall determine the amount due to the  
17 System based on the full rate certified by the Board under  
18 Section 14-135.08 for fiscal year 2010 in order to meet the  
19 State's obligation under this Section. The System shall compare  
20 this amount due to the amount received by the System in fiscal  
21 year 2010 through payments under this Section. If the amount  
22 due is more than the amount received, the difference shall be  
23 termed the "Fiscal Year 2010 Shortfall" for purposes of this  
24 Section, and the Fiscal Year 2010 Shortfall shall be satisfied  
25 under Section 1.2 of the State Pension Funds Continuing  
26 Appropriation Act. If the amount due is less than the amount

1 received, the difference shall be termed the "Fiscal Year 2010  
2 Overpayment" for purposes of this Section, and the Fiscal Year  
3 2010 Overpayment shall be repaid by the System to the General  
4 Revenue Fund as soon as practicable after the certification.

5 (j) After the submission of all payments for eligible  
6 employees from personal services line items paid from the  
7 General Revenue Fund in fiscal year 2011 have been made, the  
8 Comptroller shall provide to the System a certification of the  
9 sum of all fiscal year 2011 expenditures for personal services  
10 that would have been covered by payments to the System under  
11 this Section if the provisions of this amendatory Act of the  
12 96th General Assembly had not been enacted. Upon receipt of the  
13 certification, the System shall determine the amount due to the  
14 System based on the full rate certified by the Board under  
15 Section 14-135.08 for fiscal year 2011 in order to meet the  
16 State's obligation under this Section. The System shall compare  
17 this amount due to the amount received by the System in fiscal  
18 year 2011 through payments under this Section. If the amount  
19 due is more than the amount received, the difference shall be  
20 termed the "Fiscal Year 2011 Shortfall" for purposes of this  
21 Section, and the Fiscal Year 2011 Shortfall shall be satisfied  
22 under Section 1.2 of the State Pension Funds Continuing  
23 Appropriation Act. If the amount due is less than the amount  
24 received, the difference shall be termed the "Fiscal Year 2011  
25 Overpayment" for purposes of this Section, and the Fiscal Year  
26 2011 Overpayment shall be repaid by the System to the General

1 Revenue Fund as soon as practicable after the certification.

2 (k) For fiscal years 2012 and 2013 only, after the  
3 submission of all payments for eligible employees from personal  
4 services line items paid from the General Revenue Fund in the  
5 fiscal year have been made, the Comptroller shall provide to  
6 the System a certification of the sum of all expenditures in  
7 the fiscal year for personal services. Upon receipt of the  
8 certification, the System shall determine the amount due to the  
9 System based on the full rate certified by the Board under  
10 Section 14-135.08 for the fiscal year in order to meet the  
11 State's obligation under this Section. The System shall compare  
12 this amount due to the amount received by the System for the  
13 fiscal year. If the amount due is more than the amount  
14 received, the difference shall be termed the "Prior Fiscal Year  
15 Shortfall" for purposes of this Section, and the Prior Fiscal  
16 Year Shortfall shall be satisfied under Section 1.2 of the  
17 State Pension Funds Continuing Appropriation Act. If the amount  
18 due is less than the amount received, the difference shall be  
19 termed the "Prior Fiscal Year Overpayment" for purposes of this  
20 Section, and the Prior Fiscal Year Overpayment shall be repaid  
21 by the System to the General Revenue Fund as soon as  
22 practicable after the certification.

23 (Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09;  
24 96-1000, eff. 7-2-10; 96-1497, eff. 1-14-11; 96-1511, eff.  
25 1-27-11; 96-1554, eff. 3-18-11; 97-72, eff. 7-1-11; 97-732,  
26 eff. 6-30-12.)

1 (40 ILCS 5/14-132) (from Ch. 108 1/2, par. 14-132)

2 Sec. 14-132. Obligations of State.

3 (a) The payment of the required department contributions,  
4 all allowances, annuities, benefits granted under this  
5 Article, and all expenses of administration of the system are  
6 obligations of the State of Illinois to the extent specified in  
7 this Article.

8 (b) All income of the system shall be credited to a  
9 separate account for this system in the State treasury and  
10 shall be used to pay allowances, annuities, benefits and  
11 administration expense.

12 (c) If the System submits a voucher for monthly  
13 contributions as required in Section 14-131 and the State fails  
14 to pay within 90 days of receipt of such a voucher, the Board  
15 shall submit a written request to the Comptroller seeking  
16 payment. A copy of the request shall be filed with the  
17 Secretary of State, and the Secretary of State shall provide  
18 copies to the Governor and General Assembly. No earlier than  
19 the 16th day after filing a request with the Secretary of  
20 State, the Board shall have the right to commence a mandamus  
21 action in the Supreme Court of Illinois to compel the  
22 Comptroller to satisfy the voucher by making payment from the  
23 General Revenue Fund. This Section constitutes an express  
24 waiver of the State's sovereign immunity solely to the extent  
25 it permits the Board to commence a mandamus action in the

1 Illinois Supreme Court to compel the Comptroller to pay a  
2 voucher for monthly contributions as required in Section  
3 14-131.

4 (Source: P.A. 80-841.)

5 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

6 Sec. 14-133. Contributions on behalf of members.

7 (a) Each participating employee shall make contributions  
8 to the System, based on the employee's compensation, as  
9 follows:

10 (1) Covered employees, except as indicated below, 3.5%  
11 for retirement annuity, and 0.5% for a widow or survivors  
12 annuity;

13 (2) Noncovered employees, except as indicated below,  
14 7% for retirement annuity and 1% for a widow or survivors  
15 annuity;

16 (3) Noncovered employees serving in a position in which  
17 "eligible creditable service" as defined in Section 14-110  
18 may be earned, 1% for a widow or survivors annuity plus the  
19 following amount for retirement annuity: 8.5% through  
20 December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5%  
21 in 2004 and thereafter;

22 (4) Covered employees serving in a position in which  
23 "eligible creditable service" as defined in Section 14-110  
24 may be earned, 0.5% for a widow or survivors annuity plus  
25 the following amount for retirement annuity: 5% through

1 December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004  
2 and thereafter;

3 (5) Each security employee of the Department of  
4 Corrections or of the Department of Human Services who is a  
5 covered employee, 0.5% for a widow or survivors annuity  
6 plus the following amount for retirement annuity: 5%  
7 through December 31, 2001; 6% in 2002; 7% in 2003; and 8%  
8 in 2004 and thereafter;

9 (6) Each security employee of the Department of  
10 Corrections or of the Department of Human Services who is  
11 not a covered employee, 1% for a widow or survivors annuity  
12 plus the following amount for retirement annuity: 8.5%  
13 through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and  
14 11.5% in 2004 and thereafter.

15 (a-1) In addition to the contributions required under  
16 subsection (a), an employee who elects to participate in the  
17 optional cash balance plan under Section 1-162 shall pay to the  
18 System for the purpose of participating in the optional cash  
19 balance plan an additional contribution of 2% of each payment  
20 of compensation received while he or she is a participant in  
21 the optional cash balance plan. These contributions shall not  
22 be used for the purpose of determining any benefit under this  
23 Article except as provided in the optional cash balance plan.

24 (b) Contributions shall be in the form of a deduction from  
25 compensation and shall be made notwithstanding that the  
26 compensation paid in cash to the employee shall be reduced

1 thereby below the minimum prescribed by law or regulation. Each  
2 member is deemed to consent and agree to the deductions from  
3 compensation provided for in this Article, and shall receipt in  
4 full for salary or compensation.

5 (Source: P.A. 92-14, eff. 6-28-01.)

6 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

7 Sec. 14-135.08. To certify required State contributions.

8 (a) To certify to the Governor and to each department, on  
9 or before November 15 of each year through ~~until~~ November 15,  
10 2011, the required rate for State contributions to the System  
11 for the next State fiscal year, as determined under subsection  
12 (b) of Section 14-131. The certification to the Governor under  
13 this subsection (a) shall include a copy of the actuarial  
14 recommendations upon which the rate is based ~~and shall~~  
15 ~~specifically identify the System's projected State normal cost~~  
16 ~~for that fiscal year.~~

17 (a-5) On or before November 1 of each year, beginning  
18 November 1, 2012, the Board shall submit to the State Actuary,  
19 the Governor, and the General Assembly a proposed certification  
20 of the amount of the required State contribution to the System  
21 for the next fiscal year, along with all of the actuarial  
22 assumptions, calculations, and data upon which that proposed  
23 certification is based. On or before January 1 of each year,  
24 beginning January 1, 2013, the State Actuary shall issue a  
25 preliminary report concerning the proposed certification and

1 identifying, if necessary, recommended changes in actuarial  
2 assumptions that the Board must consider before finalizing its  
3 certification of the required State contributions.

4 On or before January 15, 2013 and each January 15  
5 thereafter, the Board shall certify to the Governor and the  
6 General Assembly the amount of the required State contribution  
7 for the next fiscal year. The Board's certification shall  
8 include a copy of the actuarial recommendations upon which it  
9 is based and shall specifically identify the System's projected  
10 State normal cost for that fiscal year. The Board's  
11 certification must note any deviations from the State Actuary's  
12 recommended changes, the reason or reasons for not following  
13 the State Actuary's recommended changes, and the fiscal impact  
14 of not following the State Actuary's recommended changes on the  
15 required State contribution.

16 (b) The certifications under subsections (a) and (a-5)  
17 shall include an additional amount necessary to pay all  
18 principal of and interest on those general obligation bonds due  
19 the next fiscal year authorized by Section 7.2(a) of the  
20 General Obligation Bond Act and issued to provide the proceeds  
21 deposited by the State with the System in July 2003,  
22 representing deposits other than amounts reserved under  
23 Section 7.2(c) of the General Obligation Bond Act. For State  
24 fiscal year 2005, the Board shall make a supplemental  
25 certification of the additional amount necessary to pay all  
26 principal of and interest on those general obligation bonds due

1 in State fiscal years 2004 and 2005 authorized by Section  
2 7.2(a) of the General Obligation Bond Act and issued to provide  
3 the proceeds deposited by the State with the System in July  
4 2003, representing deposits other than amounts reserved under  
5 Section 7.2(c) of the General Obligation Bond Act, as soon as  
6 practical after the effective date of this amendatory Act of  
7 the 93rd General Assembly.

8 On or before May 1, 2004, the Board shall recalculate and  
9 recertify to the Governor and to each department the amount of  
10 the required State contribution to the System and the required  
11 rates for State contributions to the System for State fiscal  
12 year 2005, taking into account the amounts appropriated to and  
13 received by the System under subsection (d) of Section 7.2 of  
14 the General Obligation Bond Act.

15 On or before July 1, 2005, the Board shall recalculate and  
16 recertify to the Governor and to each department the amount of  
17 the required State contribution to the System and the required  
18 rates for State contributions to the System for State fiscal  
19 year 2006, taking into account the changes in required State  
20 contributions made by this amendatory Act of the 94th General  
21 Assembly.

22 On or before April 1, 2011, the Board shall recalculate and  
23 recertify to the Governor and to each department the amount of  
24 the required State contribution to the System for State fiscal  
25 year 2011, applying the changes made by Public Act 96-889 to  
26 the System's assets and liabilities as of June 30, 2009 as

1 though Public Act 96-889 was approved on that date.

2 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
3 97-694, eff. 6-18-12.)

4 (40 ILCS 5/14-152.1)

5 Sec. 14-152.1. Application and expiration of new benefit  
6 increases.

7 (a) As used in this Section, "new benefit increase" means  
8 an increase in the amount of any benefit provided under this  
9 Article, or an expansion of the conditions of eligibility for  
10 any benefit under this Article, that results from an amendment  
11 to this Code that takes effect after June 1, 2005 (the  
12 effective date of Public Act 94-4). "New benefit increase",  
13 however, does not include any benefit increase resulting from  
14 the changes made to this Article or Article 1 by Public Act  
15 96-37 or this amendatory Act of the 97th ~~96th~~ General Assembly.

16 (b) Notwithstanding any other provision of this Code or any  
17 subsequent amendment to this Code, every new benefit increase  
18 is subject to this Section and shall be deemed to be granted  
19 only in conformance with and contingent upon compliance with  
20 the provisions of this Section.

21 (c) The Public Act enacting a new benefit increase must  
22 identify and provide for payment to the System of additional  
23 funding at least sufficient to fund the resulting annual  
24 increase in cost to the System as it accrues.

25 Every new benefit increase is contingent upon the General

1 Assembly providing the additional funding required under this  
2 subsection. The Commission on Government Forecasting and  
3 Accountability shall analyze whether adequate additional  
4 funding has been provided for the new benefit increase and  
5 shall report its analysis to the Public Pension Division of the  
6 Department of Financial and Professional Regulation. A new  
7 benefit increase created by a Public Act that does not include  
8 the additional funding required under this subsection is null  
9 and void. If the Public Pension Division determines that the  
10 additional funding provided for a new benefit increase under  
11 this subsection is or has become inadequate, it may so certify  
12 to the Governor and the State Comptroller and, in the absence  
13 of corrective action by the General Assembly, the new benefit  
14 increase shall expire at the end of the fiscal year in which  
15 the certification is made.

16 (d) Every new benefit increase shall expire 5 years after  
17 its effective date or on such earlier date as may be specified  
18 in the language enacting the new benefit increase or provided  
19 under subsection (c). This does not prevent the General  
20 Assembly from extending or re-creating a new benefit increase  
21 by law.

22 (e) Except as otherwise provided in the language creating  
23 the new benefit increase, a new benefit increase that expires  
24 under this Section continues to apply to persons who applied  
25 and qualified for the affected benefit while the new benefit  
26 increase was in effect and to the affected beneficiaries and

1 alternate payees of such persons, but does not apply to any  
2 other person, including without limitation a person who  
3 continues in service after the expiration date and did not  
4 apply and qualify for the affected benefit while the new  
5 benefit increase was in effect.

6 (Source: P.A. 96-37, eff. 7-13-09.)

7 (40 ILCS 5/15-106) (from Ch. 108 1/2, par. 15-106)

8 Sec. 15-106. Employer. "Employer": The University of  
9 Illinois, Southern Illinois University, Chicago State  
10 University, Eastern Illinois University, Governors State  
11 University, Illinois State University, Northeastern Illinois  
12 University, Northern Illinois University, Western Illinois  
13 University, the State Board of Higher Education, the Illinois  
14 Mathematics and Science Academy, the University Civil Service  
15 Merit Board, the Board of Trustees of the State Universities  
16 Retirement System, the Illinois Community College Board,  
17 community college boards, any association of community college  
18 boards organized under Section 3-55 of the Public Community  
19 College Act, the Board of Examiners established under the  
20 Illinois Public Accounting Act, and, only during the period for  
21 which employer contributions required under Section 15-155 are  
22 paid, the following organizations: the alumni associations,  
23 the foundations and the athletic associations which are  
24 affiliated with the universities and colleges included in this  
25 Section as employers. An individual that begins employment

1 after the effective date of this amendatory Act of the 97th  
2 General Assembly with an entity not defined as an employer in  
3 this Section shall not be deemed an employee for the purposes  
4 of this Article with respect to that employment and shall not  
5 be eligible to participate in the System with respect to that  
6 employment; provided, however, that those individuals who are  
7 both employed and already participants in the System on the  
8 effective date of this amendatory Act of the 97th General  
9 Assembly shall be allowed to continue as participants in the  
10 System for the duration of that employment.

11 Notwithstanding any provision of law to the contrary, an  
12 individual who begins employment with any of the following  
13 employers on or after the effective date of this amendatory Act  
14 of the 97th General Assembly shall not be deemed an employee  
15 and shall not be eligible to participate in the System with  
16 respect to that employment: any association of community  
17 college boards organized under Section 3-55 of the Public  
18 Community College Act, the Association of Illinois  
19 Middle-Grade Schools, the Illinois Association of School  
20 Administrators, the Illinois Association for Supervision and  
21 Curriculum Development, the Illinois Principals Association,  
22 the Illinois Association of School Business Officials, or the  
23 Illinois Special Olympics; provided, however, that those  
24 individuals who are both employed and already participants in  
25 the System on the effective date of this amendatory Act of the  
26 97th General Assembly shall be allowed to continue as

1 participants in the System for the duration of that employment.

2 A department as defined in Section 14-103.04 is an employer  
3 for any person appointed by the Governor under the Civil  
4 Administrative Code of Illinois who is a participating employee  
5 as defined in Section 15-109. The Department of Central  
6 Management Services is an employer with respect to persons  
7 employed by the State Board of Higher Education in positions  
8 with the Illinois Century Network as of June 30, 2004 who  
9 remain continuously employed after that date by the Department  
10 of Central Management Services in positions with the Illinois  
11 Century Network, the Bureau of Communication and Computer  
12 Services, or, if applicable, any successor bureau.

13 The cities of Champaign and Urbana shall be considered  
14 employers, but only during the period for which contributions  
15 are required to be made under subsection (b-1) of Section  
16 15-155 and only with respect to individuals described in  
17 subsection (h) of Section 15-107.

18 (Source: P.A. 95-369, eff. 8-23-07; 95-728, eff. 7-1-08 - See  
19 Sec. 999.)

20 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

21 Sec. 15-107. Employee.

22 (a) "Employee" means any member of the educational,  
23 administrative, secretarial, clerical, mechanical, labor or  
24 other staff of an employer whose employment is permanent and  
25 continuous or who is employed in a position in which services

1 are expected to be rendered on a continuous basis for at least  
2 4 months or one academic term, whichever is less, who (A)  
3 receives payment for personal services on a warrant issued  
4 pursuant to a payroll voucher certified by an employer and  
5 drawn by the State Comptroller upon the State Treasurer or by  
6 an employer upon trust, federal or other funds, or (B) is on a  
7 leave of absence without pay. Employment which is irregular,  
8 intermittent or temporary shall not be considered continuous  
9 for purposes of this paragraph.

10 However, a person is not an "employee" if he or she:

11 (1) is a student enrolled in and regularly attending  
12 classes in a college or university which is an employer,  
13 and is employed on a temporary basis at less than full  
14 time;

15 (2) is currently receiving a retirement annuity or a  
16 disability retirement annuity under Section 15-153.2 from  
17 this System;

18 (3) is on a military leave of absence;

19 (4) is eligible to participate in the Federal Civil  
20 Service Retirement System and is currently making  
21 contributions to that system based upon earnings paid by an  
22 employer;

23 (5) is on leave of absence without pay for more than 60  
24 days immediately following termination of disability  
25 benefits under this Article;

26 (6) is hired after June 30, 1979 as a public service

1 employment program participant under the Federal  
2 Comprehensive Employment and Training Act and receives  
3 earnings in whole or in part from funds provided under that  
4 Act; or

5 (7) is employed on or after July 1, 1991 to perform  
6 services that are excluded by subdivision (a)(7)(f) or  
7 (a)(19) of Section 210 of the federal Social Security Act  
8 from the definition of employment given in that Section (42  
9 U.S.C. 410).

10 (b) Any employer may, by filing a written notice with the  
11 board, exclude from the definition of "employee" all persons  
12 employed pursuant to a federally funded contract entered into  
13 after July 1, 1982 with a federal military department in a  
14 program providing training in military courses to federal  
15 military personnel on a military site owned by the United  
16 States Government, if this exclusion is not prohibited by the  
17 federally funded contract or federal laws or rules governing  
18 the administration of the contract.

19 (c) Any person appointed by the Governor under the Civil  
20 Administrative Code of the State is an employee, if he or she  
21 is a participant in this system on the effective date of the  
22 appointment.

23 (d) A participant on lay-off status under civil service  
24 rules is considered an employee for not more than 120 days from  
25 the date of the lay-off.

26 (e) A participant is considered an employee during (1) the

1 first 60 days of disability leave, (2) the period, not to  
2 exceed one year, in which his or her eligibility for disability  
3 benefits is being considered by the board or reviewed by the  
4 courts, and (3) the period he or she receives disability  
5 benefits under the provisions of Section 15-152, workers'  
6 compensation or occupational disease benefits, or disability  
7 income under an insurance contract financed wholly or partially  
8 by the employer.

9 (f) Absences without pay, other than formal leaves of  
10 absence, of less than 30 calendar days, are not considered as  
11 an interruption of a person's status as an employee. If such  
12 absences during any period of 12 months exceed 30 work days,  
13 the employee status of the person is considered as interrupted  
14 as of the 31st work day.

15 (g) A staff member whose employment contract requires  
16 services during an academic term is to be considered an  
17 employee during the summer and other vacation periods, unless  
18 he or she declines an employment contract for the succeeding  
19 academic term or his or her employment status is otherwise  
20 terminated, and he or she receives no earnings during these  
21 periods.

22 (h) An individual who was a participating employee employed  
23 in the fire department of the University of Illinois's  
24 Champaign-Urbana campus immediately prior to the elimination  
25 of that fire department and who immediately after the  
26 elimination of that fire department became employed by the fire

1 department of the City of Urbana or the City of Champaign shall  
2 continue to be considered as an employee for purposes of this  
3 Article for so long as the individual remains employed as a  
4 firefighter by the City of Urbana or the City of Champaign. The  
5 individual shall cease to be considered an employee under this  
6 subsection (h) upon the first termination of the individual's  
7 employment as a firefighter by the City of Urbana or the City  
8 of Champaign.

9 (i) An individual who is employed on a full-time basis as  
10 an officer or employee of a statewide teacher organization that  
11 serves System participants or an officer of a national teacher  
12 organization that serves System participants may participate  
13 in the System and shall be deemed an employee, provided that  
14 (1) the individual has previously earned creditable service  
15 under this Article, (2) the individual files with the System an  
16 irrevocable election to become a participant before the  
17 effective date of this amendatory Act of the 97th General  
18 Assembly, (3) the individual does not receive credit for that  
19 employment under any other Article of this Code, and (4) the  
20 individual first became a full-time employee of the teacher  
21 organization and becomes a participant before the effective  
22 date of this amendatory Act of the 97th General Assembly. An  
23 employee under this subsection (i) is responsible for paying to  
24 the System both (A) employee contributions based on the actual  
25 compensation received for service with the teacher  
26 organization and (B) employer contributions equal to the normal

1 costs (as defined in Section 15-155) resulting from that  
2 service; all or any part of these contributions may be paid on  
3 the employee's behalf or picked up for tax purposes (if  
4 authorized under federal law) by the teacher organization.

5 A person who is an employee as defined in this subsection  
6 (i) may establish service credit for similar employment prior  
7 to becoming an employee under this subsection by paying to the  
8 System for that employment the contributions specified in this  
9 subsection, plus interest at the effective rate from the date  
10 of service to the date of payment. However, credit shall not be  
11 granted under this subsection for any such prior employment for  
12 which the applicant received credit under any other provision  
13 of this Code, or during which the applicant was on a leave of  
14 absence under Section 15-113.2.

15 (j) A person employed by the State Board of Higher  
16 Education in a position with the Illinois Century Network as of  
17 June 30, 2004 shall be considered to be an employee for so long  
18 as he or she remains continuously employed after that date by  
19 the Department of Central Management Services in a position  
20 with the Illinois Century Network, the Bureau of Communication  
21 and Computer Services, or, if applicable, any successor bureau  
22 and meets the requirements of subsection (a).

23 (k) In the case of doubt as to whether any person is an  
24 employee within the meaning of this Section, the decision of  
25 the Board shall be final.

26 (Source: P.A. 97-651, eff. 1-5-12.)

1 (40 ILCS 5/15-113.2) (from Ch. 108 1/2, par. 15-113.2)

2 Sec. 15-113.2. Service for leaves of absence. "Service for  
3 leaves of absence" includes those periods of leaves of absence  
4 at less than 50% pay, except military leave and periods of  
5 disability leave in excess of 60 days, for which the employee  
6 pays the contributions required under Section 15-157 in  
7 accordance with rules prescribed by the board based upon the  
8 employee's basic compensation on the date the leave begins, or  
9 in the case of leave for service with a teacher organization,  
10 based upon the actual compensation received by the employee for  
11 such service after January 26, 1988, if the employee so elects  
12 within 30 days of that date or the date the leave for service  
13 with a teacher organization begins, whichever is later;  
14 provided that the employee (1) returns to employment covered by  
15 this system at the expiration of the leave, or within 30 days  
16 after the termination of a disability which occurs during the  
17 leave and continues this employment at a percentage of time  
18 equal to or greater than the percentage of time immediately  
19 preceding the leave of absence for at least 8 consecutive  
20 months or a period equal to the period of the leave, whichever  
21 is less, or (2) is precluded from meeting the foregoing  
22 conditions because of disability or death. If service credit is  
23 denied because the employee fails to meet these conditions, the  
24 contributions covering the leave of absence shall be refunded  
25 without interest. The return to employment condition does not

1 apply if the leave of absence is for service with a teacher  
2 organization.

3 Service credit provided under this Section shall not exceed  
4 3 years in any period of 10 years, unless the employee is on  
5 special leave granted by the employer for service with a  
6 teacher organization. Commencing with the fourth year in any  
7 period of 10 years, a participant on such special leave is also  
8 required to pay employer contributions equal to the normal cost  
9 as defined in Section 15-155, based upon the employee's basic  
10 compensation on the date the leave begins, or based upon the  
11 actual compensation received by the employee for service with a  
12 teacher organization if the employee has so elected.

13 Notwithstanding any other provision of this Article, a  
14 participant shall not be eligible to make contributions or  
15 receive service credit for a leave of absence for service with  
16 a teacher organization if that leave of absence for service  
17 with a teacher organization begins on or after the effective  
18 date of this amendatory Act of the 97th General Assembly.

19 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

20 (40 ILCS 5/15-163) (from Ch. 108 1/2, par. 15-163)

21 Sec. 15-163. To consider applications and authorize  
22 payments.

23 To consider and pass on all certifications of employment  
24 and applications for annuities and benefits; to authorize the  
25 granting of annuities and benefits; and to limit or suspend any

1 payment or payments, all in accordance with this Article.

2 (Source: Laws 1963, p. 161.)

3 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

4 Sec. 15-165. To certify amounts and submit vouchers.

5 (a) The Board shall certify to the Governor on or before  
6 November 15 of each year through ~~until~~ November 15, 2011 the  
7 appropriation required from State funds for the purposes of  
8 this System for the following fiscal year. The certification  
9 under this subsection (a) shall include a copy of the actuarial  
10 recommendations upon which it is based ~~and shall specifically~~  
11 ~~identify the System's projected State normal cost for that~~  
12 ~~fiscal year and the projected State cost for the self-managed~~  
13 ~~plan for that fiscal year.~~

14 On or before May 1, 2004, the Board shall recalculate and  
15 recertify to the Governor the amount of the required State  
16 contribution to the System for State fiscal year 2005, taking  
17 into account the amounts appropriated to and received by the  
18 System under subsection (d) of Section 7.2 of the General  
19 Obligation Bond Act.

20 On or before July 1, 2005, the Board shall recalculate and  
21 recertify to the Governor the amount of the required State  
22 contribution to the System for State fiscal year 2006, taking  
23 into account the changes in required State contributions made  
24 by this amendatory Act of the 94th General Assembly.

25 On or before April 1, 2011, the Board shall recalculate and

1 recertify to the Governor the amount of the required State  
2 contribution to the System for State fiscal year 2011, applying  
3 the changes made by Public Act 96-889 to the System's assets  
4 and liabilities as of June 30, 2009 as though Public Act 96-889  
5 was approved on that date.

6 (a-5) On or before November 1 of each year, beginning  
7 November 1, 2012, the Board shall submit to the State Actuary,  
8 the Governor, and the General Assembly a proposed certification  
9 of the amount of the required State contribution to the System  
10 for the next fiscal year, along with all of the actuarial  
11 assumptions, calculations, and data upon which that proposed  
12 certification is based. On or before January 1 of each year,  
13 beginning January 1, 2013, the State Actuary shall issue a  
14 preliminary report concerning the proposed certification and  
15 identifying, if necessary, recommended changes in actuarial  
16 assumptions that the Board must consider before finalizing its  
17 certification of the required State contributions.

18 On or before January 15, 2013 and each January 15  
19 thereafter, the Board shall certify to the Governor and the  
20 General Assembly the amount of the required State contribution  
21 for the next fiscal year. The Board's certification shall  
22 include a copy of the actuarial recommendations upon which it  
23 is based and shall specifically identify the System's projected  
24 State normal cost for that fiscal year. The Board's  
25 certification must note, in a written response to the State  
26 Actuary, any deviations from the State Actuary's recommended

1 changes, the reason or reasons for not following the State  
2 Actuary's recommended changes, and the fiscal impact of not  
3 following the State Actuary's recommended changes on the  
4 required State contribution.

5 (b) The Board shall certify to the State Comptroller or  
6 employer, as the case may be, from time to time, by its  
7 president and secretary, with its seal attached, the amounts  
8 payable to the System from the various funds.

9 (c) Beginning in State fiscal year 1996, on or as soon as  
10 possible after the 15th day of each month the Board shall  
11 submit vouchers for payment of State contributions to the  
12 System, in a total monthly amount of one-twelfth of the  
13 required annual State contribution certified under subsection  
14 (a). From the effective date of this amendatory Act of the 93rd  
15 General Assembly through June 30, 2004, the Board shall not  
16 submit vouchers for the remainder of fiscal year 2004 in excess  
17 of the fiscal year 2004 certified contribution amount  
18 determined under this Section after taking into consideration  
19 the transfer to the System under subsection (b) of Section  
20 6z-61 of the State Finance Act. These vouchers shall be paid by  
21 the State Comptroller and Treasurer by warrants drawn on the  
22 funds appropriated to the System for that fiscal year.

23 If in any month the amount remaining unexpended from all  
24 other appropriations to the System for the applicable fiscal  
25 year (including the appropriations to the System under Section  
26 8.12 of the State Finance Act and Section 1 of the State

1 Pension Funds Continuing Appropriation Act) is less than the  
2 amount lawfully vouchered under this Section, the difference  
3 shall be paid from the General Revenue Fund under the  
4 continuing appropriation authority provided in Section 1.1 of  
5 the State Pension Funds Continuing Appropriation Act.

6 (d) So long as the payments received are the full amount  
7 lawfully vouchered under this Section, payments received by the  
8 System under this Section shall be applied first toward the  
9 employer contribution to the self-managed plan established  
10 under Section 15-158.2. Payments shall be applied second toward  
11 the employer's portion of the normal costs of the System, as  
12 defined in subsection (f) of Section 15-155. The balance shall  
13 be applied toward the unfunded actuarial liabilities of the  
14 System.

15 (e) In the event that the System does not receive, as a  
16 result of legislative enactment or otherwise, payments  
17 sufficient to fully fund the employer contribution to the  
18 self-managed plan established under Section 15-158.2 and to  
19 fully fund that portion of the employer's portion of the normal  
20 costs of the System, as calculated in accordance with Section  
21 15-155(a-1), then any payments received shall be applied  
22 proportionately to the optional retirement program established  
23 under Section 15-158.2 and to the employer's portion of the  
24 normal costs of the System, as calculated in accordance with  
25 Section 15-155(a-1).

26 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;

1 97-694, eff. 6-18-12.)

2 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

3 Sec. 16-106. Teacher. "Teacher": The following  
4 individuals, provided that, for employment prior to July 1,  
5 1990, they are employed on a full-time basis, or if not  
6 full-time, on a permanent and continuous basis in a position in  
7 which services are expected to be rendered for at least one  
8 school term:

9 (1) Any educational, administrative, professional or  
10 other staff employed in the public common schools included  
11 within this system in a position requiring certification  
12 under the law governing the certification of teachers;

13 (2) Any educational, administrative, professional or  
14 other staff employed in any facility of the Department of  
15 Children and Family Services or the Department of Human  
16 Services, in a position requiring certification under the  
17 law governing the certification of teachers, and any person  
18 who (i) works in such a position for the Department of  
19 Corrections, (ii) was a member of this System on May 31,  
20 1987, and (iii) did not elect to become a member of the  
21 State Employees' Retirement System pursuant to Section  
22 14-108.2 of this Code; except that "teacher" does not  
23 include any person who (A) becomes a security employee of  
24 the Department of Human Services, as defined in Section  
25 14-110, after June 28, 2001 (the effective date of Public

1 Act 92-14), or (B) becomes a member of the State Employees'  
2 Retirement System pursuant to Section 14-108.2c of this  
3 Code;

4 (3) Any regional superintendent of schools, assistant  
5 regional superintendent of schools, State Superintendent  
6 of Education; any person employed by the State Board of  
7 Education as an executive; any executive of the boards  
8 engaged in the service of public common school education in  
9 school districts covered under this system of which the  
10 State Superintendent of Education is an ex-officio member;

11 (4) Any employee of a school board association  
12 operating in compliance with Article 23 of the School Code  
13 who is certificated under the law governing the  
14 certification of teachers, provided that he or she becomes  
15 such an employee before the effective date of this  
16 amendatory Act of the 97th General Assembly;

17 (5) Any person employed by the retirement system who:

18 (i) was an employee of and a participant in the  
19 system on August 17, 2001 (the effective date of Public  
20 Act 92-416), or

21 (ii) becomes an employee of the system on or after  
22 August 17, 2001;

23 (6) Any educational, administrative, professional or  
24 other staff employed by and under the supervision and  
25 control of a regional superintendent of schools, provided  
26 such employment position requires the person to be

1           certificated under the law governing the certification of  
2           teachers and is in an educational program serving 2 or more  
3           districts in accordance with a joint agreement authorized  
4           by the School Code or by federal legislation;

5           (7) Any educational, administrative, professional or  
6           other staff employed in an educational program serving 2 or  
7           more school districts in accordance with a joint agreement  
8           authorized by the School Code or by federal legislation and  
9           in a position requiring certification under the laws  
10          governing the certification of teachers;

11          (8) Any officer or employee of a statewide teacher  
12          organization or officer of a national teacher organization  
13          who is certified under the law governing certification of  
14          teachers, provided: (i) the individual had previously  
15          established creditable service under this Article, (ii)  
16          the individual files with the system an irrevocable  
17          election to become a member before the effective date of  
18          this amendatory Act of the 97th General Assembly, (iii) the  
19          individual does not receive credit for such service under  
20          any other Article of this Code, and (iv) the individual  
21          first became an officer or employee of the teacher  
22          organization and becomes a member before the effective date  
23          of this amendatory Act of the 97th General Assembly;

24          (9) Any educational, administrative, professional, or  
25          other staff employed in a charter school operating in  
26          compliance with the Charter Schools Law who is certificated

1 under the law governing the certification of teachers.

2 (10) Any person employed, on the effective date of this  
3 amendatory Act of the 94th General Assembly, by the  
4 Macon-Piatt Regional Office of Education in a  
5 birth-through-age-three pilot program receiving funds  
6 under Section 2-389 of the School Code who is required by  
7 the Macon-Piatt Regional Office of Education to hold a  
8 teaching certificate, provided that the Macon-Piatt  
9 Regional Office of Education makes an election, within 6  
10 months after the effective date of this amendatory Act of  
11 the 94th General Assembly, to have the person participate  
12 in the system. Any service established prior to the  
13 effective date of this amendatory Act of the 94th General  
14 Assembly for service as an employee of the Macon-Piatt  
15 Regional Office of Education in a birth-through-age-three  
16 pilot program receiving funds under Section 2-389 of the  
17 School Code shall be considered service as a teacher if  
18 employee and employer contributions have been received by  
19 the system and the system has not refunded those  
20 contributions.

21 An annuitant receiving a retirement annuity under this  
22 Article or under Article 17 of this Code who is employed by a  
23 board of education or other employer as permitted under Section  
24 16-118 or 16-150.1 is not a "teacher" for purposes of this  
25 Article. A person who has received a single-sum retirement  
26 benefit under Section 16-136.4 of this Article is not a

1 "teacher" for purposes of this Article.

2 (Source: P.A. 97-651, eff. 1-5-12.)

3 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

4 Sec. 16-127. Computation of creditable service.

5 (a) Each member shall receive regular credit for all  
6 service as a teacher from the date membership begins, for which  
7 satisfactory evidence is supplied and all contributions have  
8 been paid.

9 (b) The following periods of service shall earn optional  
10 credit and each member shall receive credit for all such  
11 service for which satisfactory evidence is supplied and all  
12 contributions have been paid as of the date specified:

13 (1) Prior service as a teacher.

14 (2) Service in a capacity essentially similar or  
15 equivalent to that of a teacher, in the public common  
16 schools in school districts in this State not included  
17 within the provisions of this System, or of any other  
18 State, territory, dependency or possession of the United  
19 States, or in schools operated by or under the auspices of  
20 the United States, or under the auspices of any agency or  
21 department of any other State, and service during any  
22 period of professional speech correction or special  
23 education experience for a public agency within this State  
24 or any other State, territory, dependency or possession of  
25 the United States, and service prior to February 1, 1951 as

1 a recreation worker for the Illinois Department of Public  
2 Safety, for a period not exceeding the lesser of 2/5 of the  
3 total creditable service of the member or 10 years. The  
4 maximum service of 10 years which is allowable under this  
5 paragraph shall be reduced by the service credit which is  
6 validated by other retirement systems under paragraph (i)  
7 of Section 15-113 and paragraph 1 of Section 17-133. Credit  
8 granted under this paragraph may not be used in  
9 determination of a retirement annuity or disability  
10 benefits unless the member has at least 5 years of  
11 creditable service earned subsequent to this employment  
12 with one or more of the following systems: Teachers'  
13 Retirement System of the State of Illinois, State  
14 Universities Retirement System, and the Public School  
15 Teachers' Pension and Retirement Fund of Chicago. Whenever  
16 such service credit exceeds the maximum allowed for all  
17 purposes of this Article, the first service rendered in  
18 point of time shall be considered. The changes to this  
19 subdivision (b)(2) made by Public Act 86-272 shall apply  
20 not only to persons who on or after its effective date  
21 (August 23, 1989) are in service as a teacher under the  
22 System, but also to persons whose status as such a teacher  
23 terminated prior to such effective date, whether or not  
24 such person is an annuitant on that date.

25 (3) Any periods immediately following teaching  
26 service, under this System or under Article 17, (or

1 immediately following service prior to February 1, 1951 as  
2 a recreation worker for the Illinois Department of Public  
3 Safety) spent in active service with the military forces of  
4 the United States; periods spent in educational programs  
5 that prepare for return to teaching sponsored by the  
6 federal government following such active military service;  
7 if a teacher returns to teaching service within one  
8 calendar year after discharge or after the completion of  
9 the educational program, a further period, not exceeding  
10 one calendar year, between time spent in military service  
11 or in such educational programs and the return to  
12 employment as a teacher under this System; and a period of  
13 up to 2 years of active military service not immediately  
14 following employment as a teacher.

15 The changes to this Section and Section 16-128 relating  
16 to military service made by P.A. 87-794 shall apply not  
17 only to persons who on or after its effective date are in  
18 service as a teacher under the System, but also to persons  
19 whose status as a teacher terminated prior to that date,  
20 whether or not the person is an annuitant on that date. In  
21 the case of an annuitant who applies for credit allowable  
22 under this Section for a period of military service that  
23 did not immediately follow employment, and who has made the  
24 required contributions for such credit, the annuity shall  
25 be recalculated to include the additional service credit,  
26 with the increase taking effect on the date the System

1 received written notification of the annuitant's intent to  
2 purchase the credit, if payment of all the required  
3 contributions is made within 60 days of such notice, or  
4 else on the first annuity payment date following the date  
5 of payment of the required contributions. In calculating  
6 the automatic annual increase for an annuity that has been  
7 recalculated under this Section, the increase attributable  
8 to the additional service allowable under P.A. 87-794 shall  
9 be included in the calculation of automatic annual  
10 increases accruing after the effective date of the  
11 recalculation.

12 Credit for military service shall be determined as  
13 follows: if entry occurs during the months of July, August,  
14 or September and the member was a teacher at the end of the  
15 immediately preceding school term, credit shall be granted  
16 from July 1 of the year in which he or she entered service;  
17 if entry occurs during the school term and the teacher was  
18 in teaching service at the beginning of the school term,  
19 credit shall be granted from July 1 of such year. In all  
20 other cases where credit for military service is allowed,  
21 credit shall be granted from the date of entry into the  
22 service.

23 The total period of military service for which credit  
24 is granted shall not exceed 5 years for any member unless  
25 the service: (A) is validated before July 1, 1964, and (B)  
26 does not extend beyond July 1, 1963. Credit for military

1 service shall be granted under this Section only if not  
2 more than 5 years of the military service for which credit  
3 is granted under this Section is used by the member to  
4 qualify for a military retirement allotment from any branch  
5 of the armed forces of the United States. The changes to  
6 this subdivision (b) (3) made by Public Act 86-272 shall  
7 apply not only to persons who on or after its effective  
8 date (August 23, 1989) are in service as a teacher under  
9 the System, but also to persons whose status as such a  
10 teacher terminated prior to such effective date, whether or  
11 not such person is an annuitant on that date.

12 (4) Any periods served as a member of the General  
13 Assembly.

14 (5) (i) Any periods for which a teacher, as defined in  
15 Section 16-106, is granted a leave of absence, provided he  
16 or she returns to teaching service creditable under this  
17 System or the State Universities Retirement System  
18 following the leave; (ii) periods during which a teacher is  
19 involuntarily laid off from teaching, provided he or she  
20 returns to teaching following the lay-off; (iii) periods  
21 prior to July 1, 1983 during which a teacher ceased covered  
22 employment due to pregnancy, provided that the teacher  
23 returned to teaching service creditable under this System  
24 or the State Universities Retirement System following the  
25 pregnancy and submits evidence satisfactory to the Board  
26 documenting that the employment ceased due to pregnancy;

1 and (iv) periods prior to July 1, 1983 during which a  
2 teacher ceased covered employment for the purpose of  
3 adopting an infant under 3 years of age or caring for a  
4 newly adopted infant under 3 years of age, provided that  
5 the teacher returned to teaching service creditable under  
6 this System or the State Universities Retirement System  
7 following the adoption and submits evidence satisfactory  
8 to the Board documenting that the employment ceased for the  
9 purpose of adopting an infant under 3 years of age or  
10 caring for a newly adopted infant under 3 years of age.  
11 However, total credit under this paragraph (5) may not  
12 exceed 3 years.

13 Any qualified member or annuitant may apply for credit  
14 under item (iii) or (iv) of this paragraph (5) without  
15 regard to whether service was terminated before the  
16 effective date of this amendatory Act of 1997. In the case  
17 of an annuitant who establishes credit under item (iii) or  
18 (iv), the annuity shall be recalculated to include the  
19 additional service credit. The increase in annuity shall  
20 take effect on the date the System receives written  
21 notification of the annuitant's intent to purchase the  
22 credit, if the required evidence is submitted and the  
23 required contribution paid within 60 days of that  
24 notification, otherwise on the first annuity payment date  
25 following the System's receipt of the required evidence and  
26 contribution. The increase in an annuity recalculated

1 under this provision shall be included in the calculation  
2 of automatic annual increases in the annuity accruing after  
3 the effective date of the recalculation.

4 Optional credit may be purchased under this subsection  
5 (b) (5) for periods during which a teacher has been granted  
6 a leave of absence pursuant to Section 24-13 of the School  
7 Code. A teacher whose service under this Article terminated  
8 prior to the effective date of P.A. 86-1488 shall be  
9 eligible to purchase such optional credit. If a teacher who  
10 purchases this optional credit is already receiving a  
11 retirement annuity under this Article, the annuity shall be  
12 recalculated as if the annuitant had applied for the leave  
13 of absence credit at the time of retirement. The difference  
14 between the entitled annuity and the actual annuity shall  
15 be credited to the purchase of the optional credit. The  
16 remainder of the purchase cost of the optional credit shall  
17 be paid on or before April 1, 1992.

18 The change in this paragraph made by Public Act 86-273  
19 shall be applicable to teachers who retire after June 1,  
20 1989, as well as to teachers who are in service on that  
21 date.

22 (6) Any days of unused and uncompensated accumulated  
23 sick leave earned by a teacher who first became a  
24 participant in the System before the effective date of this  
25 amendatory Act of the 97th General Assembly. The service  
26 credit granted under this paragraph shall be the ratio of

1 the number of unused and uncompensated accumulated sick  
2 leave days to 170 days, subject to a maximum of 2 years of  
3 service credit. Prior to the member's retirement, each  
4 former employer shall certify to the System the number of  
5 unused and uncompensated accumulated sick leave days  
6 credited to the member at the time of termination of  
7 service. The period of unused sick leave shall not be  
8 considered in determining the effective date of  
9 retirement. A member is not required to make contributions  
10 in order to obtain service credit for unused sick leave.

11 Credit for sick leave shall, at retirement, be granted  
12 by the System for any retiring regional or assistant  
13 regional superintendent of schools who first became a  
14 participant in this System before the effective date of  
15 this amendatory Act of the 97th General Assembly at the  
16 rate of 6 days per year of creditable service or portion  
17 thereof established while serving as such superintendent  
18 or assistant superintendent.

19 Service credit is not available for unused sick leave  
20 accumulated by a teacher who first becomes a participant in  
21 this System on or after the effective date of this amendatory  
22 Act of the 97th General Assembly.

23 (7) Periods prior to February 1, 1987 served as an  
24 employee of the Illinois Mathematics and Science Academy  
25 for which credit has not been terminated under Section  
26 15-113.9 of this Code.

1           (8) Service as a substitute teacher for work performed  
2 prior to July 1, 1990.

3           (9) Service as a part-time teacher for work performed  
4 prior to July 1, 1990.

5           (10) Up to 2 years of employment with Southern Illinois  
6 University - Carbondale from September 1, 1959 to August  
7 31, 1961, or with Governors State University from September  
8 1, 1972 to August 31, 1974, for which the teacher has no  
9 credit under Article 15. To receive credit under this item  
10 (10), a teacher must apply in writing to the Board and pay  
11 the required contributions before May 1, 1993 and have at  
12 least 12 years of service credit under this Article.

13           (b-1) A member may establish optional credit for up to 2  
14 years of service as a teacher or administrator employed by a  
15 private school recognized by the Illinois State Board of  
16 Education, provided that the teacher (i) was certified under  
17 the law governing the certification of teachers at the time the  
18 service was rendered, (ii) applies in writing on or after  
19 August 1, 2009 and on or before August 1, 2012, (iii) supplies  
20 satisfactory evidence of the employment, (iv) completes at  
21 least 10 years of contributing service as a teacher as defined  
22 in Section 16-106, and (v) pays the contribution required in  
23 subsection (d-5) of Section 16-128. The member may apply for  
24 credit under this subsection and pay the required contribution  
25 before completing the 10 years of contributing service required  
26 under item (iv), but the credit may not be used until the item

1 (iv) contributing service requirement has been met.

2 (c) The service credits specified in this Section shall be  
3 granted only if: (1) such service credits are not used for  
4 credit in any other statutory tax-supported public employee  
5 retirement system other than the federal Social Security  
6 program; and (2) the member makes the required contributions as  
7 specified in Section 16-128. Except as provided in subsection  
8 (b-1) of this Section, the service credit shall be effective as  
9 of the date the required contributions are completed.

10 Any service credits granted under this Section shall  
11 terminate upon cessation of membership for any cause.

12 Credit may not be granted under this Section covering any  
13 period for which an age retirement or disability retirement  
14 allowance has been paid.

15 (Source: P.A. 96-546, eff. 8-17-09.)

16 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

17 Sec. 16-158. Contributions by State and other employing  
18 units.

19 (a) The State shall make contributions to the System by  
20 means of appropriations from the Common School Fund and other  
21 State funds of amounts which, together with other employer  
22 contributions, employee contributions, investment income, and  
23 other income, will be sufficient to meet the cost of  
24 maintaining and administering the System on a 90% funded basis  
25 in accordance with actuarial recommendations.

1           The Board shall determine the amount of State contributions  
2 required for each fiscal year on the basis of the actuarial  
3 tables and other assumptions adopted by the Board and the  
4 recommendations of the actuary, using the formula in subsection  
5 (b-3).

6           (a-1) Annually, on or before November 15 through ~~until~~  
7 November 15, 2011, the Board shall certify to the Governor the  
8 amount of the required State contribution for the coming fiscal  
9 year. The certification under this subsection (a-1) shall  
10 include a copy of the actuarial recommendations upon which it  
11 is based ~~and shall specifically identify the System's projected~~  
12 ~~State normal cost for that fiscal year.~~

13           On or before May 1, 2004, the Board shall recalculate and  
14 recertify to the Governor the amount of the required State  
15 contribution to the System for State fiscal year 2005, taking  
16 into account the amounts appropriated to and received by the  
17 System under subsection (d) of Section 7.2 of the General  
18 Obligation Bond Act.

19           On or before July 1, 2005, the Board shall recalculate and  
20 recertify to the Governor the amount of the required State  
21 contribution to the System for State fiscal year 2006, taking  
22 into account the changes in required State contributions made  
23 by this amendatory Act of the 94th General Assembly.

24           On or before April 1, 2011, the Board shall recalculate and  
25 recertify to the Governor the amount of the required State  
26 contribution to the System for State fiscal year 2011, applying

1 the changes made by Public Act 96-889 to the System's assets  
2 and liabilities as of June 30, 2009 as though Public Act 96-889  
3 was approved on that date.

4 (a-5) On or before November 1 of each year, beginning  
5 November 1, 2012, the Board shall submit to the State Actuary,  
6 the Governor, and the General Assembly a proposed certification  
7 of the amount of the required State contribution to the System  
8 for the next fiscal year, along with all of the actuarial  
9 assumptions, calculations, and data upon which that proposed  
10 certification is based. On or before January 1 of each year,  
11 beginning January 1, 2013, the State Actuary shall issue a  
12 preliminary report concerning the proposed certification and  
13 identifying, if necessary, recommended changes in actuarial  
14 assumptions that the Board must consider before finalizing its  
15 certification of the required State contributions.

16 On or before January 15, 2013 and each January 15  
17 thereafter, the Board shall certify to the Governor and the  
18 General Assembly the amount of the required State contribution  
19 for the next fiscal year. The certification shall include a  
20 copy of the actuarial recommendations upon which it is based  
21 and shall specifically identify the System's projected State  
22 normal cost for that fiscal year. The Board's certification  
23 must note any deviations from the State Actuary's recommended  
24 changes, the reason or reasons for not following the State  
25 Actuary's recommended changes, and the fiscal impact of not  
26 following the State Actuary's recommended changes on the

1 required State contribution.

2 (b) Through State fiscal year 1995, the State contributions  
3 shall be paid to the System in accordance with Section 18-7 of  
4 the School Code.

5 (b-1) Beginning in State fiscal year 1996, on the 15th day  
6 of each month, or as soon thereafter as may be practicable, the  
7 Board shall submit vouchers for payment of State contributions  
8 to the System, in a total monthly amount of one-twelfth of the  
9 required annual State contribution certified under subsection  
10 (a-1). From the effective date of this amendatory Act of the  
11 93rd General Assembly through June 30, 2004, the Board shall  
12 not submit vouchers for the remainder of fiscal year 2004 in  
13 excess of the fiscal year 2004 certified contribution amount  
14 determined under this Section after taking into consideration  
15 the transfer to the System under subsection (a) of Section  
16 6z-61 of the State Finance Act. These vouchers shall be paid by  
17 the State Comptroller and Treasurer by warrants drawn on the  
18 funds appropriated to the System for that fiscal year.

19 If in any month the amount remaining unexpended from all  
20 other appropriations to the System for the applicable fiscal  
21 year (including the appropriations to the System under Section  
22 8.12 of the State Finance Act and Section 1 of the State  
23 Pension Funds Continuing Appropriation Act) is less than the  
24 amount lawfully vouchered under this subsection, the  
25 difference shall be paid from the Common School Fund under the  
26 continuing appropriation authority provided in Section 1.1 of

1 the State Pension Funds Continuing Appropriation Act.

2 (b-2) Allocations from the Common School Fund apportioned  
3 to school districts not coming under this System shall not be  
4 diminished or affected by the provisions of this Article.

5 (b-3) For State fiscal years 2012 through 2045, the minimum  
6 contribution to the System to be made by the State for each  
7 fiscal year shall be an amount determined by the System to be  
8 sufficient to bring the total assets of the System up to 90% of  
9 the total actuarial liabilities of the System by the end of  
10 State fiscal year 2045. In making these determinations, the  
11 required State contribution shall be calculated each year as a  
12 level percentage of payroll over the years remaining to and  
13 including fiscal year 2045 and shall be determined under the  
14 projected unit credit actuarial cost method.

15 For State fiscal years 1996 through 2005, the State  
16 contribution to the System, as a percentage of the applicable  
17 employee payroll, shall be increased in equal annual increments  
18 so that by State fiscal year 2011, the State is contributing at  
19 the rate required under this Section; except that in the  
20 following specified State fiscal years, the State contribution  
21 to the System shall not be less than the following indicated  
22 percentages of the applicable employee payroll, even if the  
23 indicated percentage will produce a State contribution in  
24 excess of the amount otherwise required under this subsection  
25 and subsection (a), and notwithstanding any contrary  
26 certification made under subsection (a-1) before the effective

1 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
2 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
3 2003; and 13.56% in FY 2004.

4 Notwithstanding any other provision of this Article, the  
5 total required State contribution for State fiscal year 2006 is  
6 \$534,627,700.

7 Notwithstanding any other provision of this Article, the  
8 total required State contribution for State fiscal year 2007 is  
9 \$738,014,500.

10 For each of State fiscal years 2008 through 2009, the State  
11 contribution to the System, as a percentage of the applicable  
12 employee payroll, shall be increased in equal annual increments  
13 from the required State contribution for State fiscal year  
14 2007, so that by State fiscal year 2011, the State is  
15 contributing at the rate otherwise required under this Section.

16 Notwithstanding any other provision of this Article, the  
17 total required State contribution for State fiscal year 2010 is  
18 \$2,089,268,000 and shall be made from the proceeds of bonds  
19 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
20 Obligation Bond Act, less (i) the pro rata share of bond sale  
21 expenses determined by the System's share of total bond  
22 proceeds, (ii) any amounts received from the Common School Fund  
23 in fiscal year 2010, and (iii) any reduction in bond proceeds  
24 due to the issuance of discounted bonds, if applicable.

25 Notwithstanding any other provision of this Article, the  
26 total required State contribution for State fiscal year 2011 is

1 the amount recertified by the System on or before April 1, 2011  
2 pursuant to subsection (a-1) of this Section and shall be made  
3 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
4 Section 7.2 of the General Obligation Bond Act, less (i) the  
5 pro rata share of bond sale expenses determined by the System's  
6 share of total bond proceeds, (ii) any amounts received from  
7 the Common School Fund in fiscal year 2011, and (iii) any  
8 reduction in bond proceeds due to the issuance of discounted  
9 bonds, if applicable. This amount shall include, in addition to  
10 the amount certified by the System, an amount necessary to meet  
11 employer contributions required by the State as an employer  
12 under paragraph (e) of this Section, which may also be used by  
13 the System for contributions required by paragraph (a) of  
14 Section 16-127.

15 Beginning in State fiscal year 2046, the minimum State  
16 contribution for each fiscal year shall be the amount needed to  
17 maintain the total assets of the System at 90% of the total  
18 actuarial liabilities of the System.

19 Amounts received by the System pursuant to Section 25 of  
20 the Budget Stabilization Act or Section 8.12 of the State  
21 Finance Act in any fiscal year do not reduce and do not  
22 constitute payment of any portion of the minimum State  
23 contribution required under this Article in that fiscal year.  
24 Such amounts shall not reduce, and shall not be included in the  
25 calculation of, the required State contributions under this  
26 Article in any future year until the System has reached a

1 funding ratio of at least 90%. A reference in this Article to  
2 the "required State contribution" or any substantially similar  
3 term does not include or apply to any amounts payable to the  
4 System under Section 25 of the Budget Stabilization Act.

5 Notwithstanding any other provision of this Section, the  
6 required State contribution for State fiscal year 2005 and for  
7 fiscal year 2008 and each fiscal year thereafter, as calculated  
8 under this Section and certified under subsection (a-1), shall  
9 not exceed an amount equal to (i) the amount of the required  
10 State contribution that would have been calculated under this  
11 Section for that fiscal year if the System had not received any  
12 payments under subsection (d) of Section 7.2 of the General  
13 Obligation Bond Act, minus (ii) the portion of the State's  
14 total debt service payments for that fiscal year on the bonds  
15 issued in fiscal year 2003 for the purposes of that Section  
16 7.2, as determined and certified by the Comptroller, that is  
17 the same as the System's portion of the total moneys  
18 distributed under subsection (d) of Section 7.2 of the General  
19 Obligation Bond Act. In determining this maximum for State  
20 fiscal years 2008 through 2010, however, the amount referred to  
21 in item (i) shall be increased, as a percentage of the  
22 applicable employee payroll, in equal increments calculated  
23 from the sum of the required State contribution for State  
24 fiscal year 2007 plus the applicable portion of the State's  
25 total debt service payments for fiscal year 2007 on the bonds  
26 issued in fiscal year 2003 for the purposes of Section 7.2 of

1 the General Obligation Bond Act, so that, by State fiscal year  
2 2011, the State is contributing at the rate otherwise required  
3 under this Section.

4 (c) Payment of the required State contributions and of all  
5 pensions, retirement annuities, death benefits, refunds, and  
6 other benefits granted under or assumed by this System, and all  
7 expenses in connection with the administration and operation  
8 thereof, are obligations of the State.

9 If members are paid from special trust or federal funds  
10 which are administered by the employing unit, whether school  
11 district or other unit, the employing unit shall pay to the  
12 System from such funds the full accruing retirement costs based  
13 upon that service, as determined by the System. Employer  
14 contributions, based on salary paid to members from federal  
15 funds, may be forwarded by the distributing agency of the State  
16 of Illinois to the System prior to allocation, in an amount  
17 determined in accordance with guidelines established by such  
18 agency and the System.

19 (d) Effective July 1, 1986, any employer of a teacher as  
20 defined in paragraph (8) of Section 16-106 shall pay the  
21 employer's normal cost of benefits based upon the teacher's  
22 service, in addition to employee contributions, as determined  
23 by the System. Such employer contributions shall be forwarded  
24 monthly in accordance with guidelines established by the  
25 System.

26 However, with respect to benefits granted under Section

1 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
2 of Section 16-106, the employer's contribution shall be 12%  
3 (rather than 20%) of the member's highest annual salary rate  
4 for each year of creditable service granted, and the employer  
5 shall also pay the required employee contribution on behalf of  
6 the teacher. For the purposes of Sections 16-133.4 and  
7 16-133.5, a teacher as defined in paragraph (8) of Section  
8 16-106 who is serving in that capacity while on leave of  
9 absence from another employer under this Article shall not be  
10 considered an employee of the employer from which the teacher  
11 is on leave.

12 (e) Beginning July 1, 1998, every employer of a teacher  
13 shall pay to the System an employer contribution computed as  
14 follows:

15 (1) Beginning July 1, 1998 through June 30, 1999, the  
16 employer contribution shall be equal to 0.3% of each  
17 teacher's salary.

18 (2) Beginning July 1, 1999 and thereafter, the employer  
19 contribution shall be equal to 0.58% of each teacher's  
20 salary.

21 The school district or other employing unit may pay these  
22 employer contributions out of any source of funding available  
23 for that purpose and shall forward the contributions to the  
24 System on the schedule established for the payment of member  
25 contributions.

26 These employer contributions are intended to offset a

1 portion of the cost to the System of the increases in  
2 retirement benefits resulting from this amendatory Act of 1998.

3 Each employer of teachers is entitled to a credit against  
4 the contributions required under this subsection (e) with  
5 respect to salaries paid to teachers for the period January 1,  
6 2002 through June 30, 2003, equal to the amount paid by that  
7 employer under subsection (a-5) of Section 6.6 of the State  
8 Employees Group Insurance Act of 1971 with respect to salaries  
9 paid to teachers for that period.

10 The additional 1% employee contribution required under  
11 Section 16-152 by this amendatory Act of 1998 is the  
12 responsibility of the teacher and not the teacher's employer,  
13 unless the employer agrees, through collective bargaining or  
14 otherwise, to make the contribution on behalf of the teacher.

15 If an employer is required by a contract in effect on May  
16 1, 1998 between the employer and an employee organization to  
17 pay, on behalf of all its full-time employees covered by this  
18 Article, all mandatory employee contributions required under  
19 this Article, then the employer shall be excused from paying  
20 the employer contribution required under this subsection (e)  
21 for the balance of the term of that contract. The employer and  
22 the employee organization shall jointly certify to the System  
23 the existence of the contractual requirement, in such form as  
24 the System may prescribe. This exclusion shall cease upon the  
25 termination, extension, or renewal of the contract at any time  
26 after May 1, 1998.

1 (f) If the amount of a teacher's salary for any school year  
2 used to determine final average salary exceeds the member's  
3 annual full-time salary rate with the same employer for the  
4 previous school year by more than 6%, the teacher's employer  
5 shall pay to the System, in addition to all other payments  
6 required under this Section and in accordance with guidelines  
7 established by the System, the present value of the increase in  
8 benefits resulting from the portion of the increase in salary  
9 that is in excess of 6%. This present value shall be computed  
10 by the System on the basis of the actuarial assumptions and  
11 tables used in the most recent actuarial valuation of the  
12 System that is available at the time of the computation. If a  
13 teacher's salary for the 2005-2006 school year is used to  
14 determine final average salary under this subsection (f), then  
15 the changes made to this subsection (f) by Public Act 94-1057  
16 shall apply in calculating whether the increase in his or her  
17 salary is in excess of 6%. For the purposes of this Section,  
18 change in employment under Section 10-21.12 of the School Code  
19 on or after June 1, 2005 shall constitute a change in employer.  
20 The System may require the employer to provide any pertinent  
21 information or documentation. The changes made to this  
22 subsection (f) by this amendatory Act of the 94th General  
23 Assembly apply without regard to whether the teacher was in  
24 service on or after its effective date.

25 Whenever it determines that a payment is or may be required  
26 under this subsection, the System shall calculate the amount of

1 the payment and bill the employer for that amount. The bill  
2 shall specify the calculations used to determine the amount  
3 due. If the employer disputes the amount of the bill, it may,  
4 within 30 days after receipt of the bill, apply to the System  
5 in writing for a recalculation. The application must specify in  
6 detail the grounds of the dispute and, if the employer asserts  
7 that the calculation is subject to subsection (g) or (h) of  
8 this Section, must include an affidavit setting forth and  
9 attesting to all facts within the employer's knowledge that are  
10 pertinent to the applicability of that subsection. Upon  
11 receiving a timely application for recalculation, the System  
12 shall review the application and, if appropriate, recalculate  
13 the amount due.

14 The employer contributions required under this subsection  
15 (f) may be paid in the form of a lump sum within 90 days after  
16 receipt of the bill. If the employer contributions are not paid  
17 within 90 days after receipt of the bill, then interest will be  
18 charged at a rate equal to the System's annual actuarially  
19 assumed rate of return on investment compounded annually from  
20 the 91st day after receipt of the bill. Payments must be  
21 concluded within 3 years after the employer's receipt of the  
22 bill.

23 (g) This subsection (g) applies only to payments made or  
24 salary increases given on or after June 1, 2005 but before July  
25 1, 2011. The changes made by Public Act 94-1057 shall not  
26 require the System to refund any payments received before July

1 31, 2006 (the effective date of Public Act 94-1057).

2 When assessing payment for any amount due under subsection  
3 (f), the System shall exclude salary increases paid to teachers  
4 under contracts or collective bargaining agreements entered  
5 into, amended, or renewed before June 1, 2005.

6 When assessing payment for any amount due under subsection  
7 (f), the System shall exclude salary increases paid to a  
8 teacher at a time when the teacher is 10 or more years from  
9 retirement eligibility under Section 16-132 or 16-133.2.

10 When assessing payment for any amount due under subsection  
11 (f), the System shall exclude salary increases resulting from  
12 overload work, including summer school, when the school  
13 district has certified to the System, and the System has  
14 approved the certification, that (i) the overload work is for  
15 the sole purpose of classroom instruction in excess of the  
16 standard number of classes for a full-time teacher in a school  
17 district during a school year and (ii) the salary increases are  
18 equal to or less than the rate of pay for classroom instruction  
19 computed on the teacher's current salary and work schedule.

20 When assessing payment for any amount due under subsection  
21 (f), the System shall exclude a salary increase resulting from  
22 a promotion (i) for which the employee is required to hold a  
23 certificate or supervisory endorsement issued by the State  
24 Teacher Certification Board that is a different certification  
25 or supervisory endorsement than is required for the teacher's  
26 previous position and (ii) to a position that has existed and

1 been filled by a member for no less than one complete academic  
2 year and the salary increase from the promotion is an increase  
3 that results in an amount no greater than the lesser of the  
4 average salary paid for other similar positions in the district  
5 requiring the same certification or the amount stipulated in  
6 the collective bargaining agreement for a similar position  
7 requiring the same certification.

8 When assessing payment for any amount due under subsection  
9 (f), the System shall exclude any payment to the teacher from  
10 the State of Illinois or the State Board of Education over  
11 which the employer does not have discretion, notwithstanding  
12 that the payment is included in the computation of final  
13 average salary.

14 (h) When assessing payment for any amount due under  
15 subsection (f), the System shall exclude any salary increase  
16 described in subsection (g) of this Section given on or after  
17 July 1, 2011 but before July 1, 2014 under a contract or  
18 collective bargaining agreement entered into, amended, or  
19 renewed on or after June 1, 2005 but before July 1, 2011.  
20 Notwithstanding any other provision of this Section, any  
21 payments made or salary increases given after June 30, 2014  
22 shall be used in assessing payment for any amount due under  
23 subsection (f) of this Section.

24 (i) The System shall prepare a report and file copies of  
25 the report with the Governor and the General Assembly by  
26 January 1, 2007 that contains all of the following information:

1           (1) The number of recalculations required by the  
2 changes made to this Section by Public Act 94-1057 for each  
3 employer.

4           (2) The dollar amount by which each employer's  
5 contribution to the System was changed due to  
6 recalculations required by Public Act 94-1057.

7           (3) The total amount the System received from each  
8 employer as a result of the changes made to this Section by  
9 Public Act 94-4.

10          (4) The increase in the required State contribution  
11 resulting from the changes made to this Section by Public  
12 Act 94-1057.

13          (j) For purposes of determining the required State  
14 contribution to the System, the value of the System's assets  
15 shall be equal to the actuarial value of the System's assets,  
16 which shall be calculated as follows:

17           As of June 30, 2008, the actuarial value of the System's  
18 assets shall be equal to the market value of the assets as of  
19 that date. In determining the actuarial value of the System's  
20 assets for fiscal years after June 30, 2008, any actuarial  
21 gains or losses from investment return incurred in a fiscal  
22 year shall be recognized in equal annual amounts over the  
23 5-year period following that fiscal year.

24          (k) For purposes of determining the required State  
25 contribution to the system for a particular year, the actuarial  
26 value of assets shall be assumed to earn a rate of return equal

1 to the system's actuarially assumed rate of return.

2 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
3 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.  
4 6-18-12; 97-813, eff. 7-13-12.)

5 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

6 Sec. 18-140. To certify required State contributions and  
7 submit vouchers.

8 (a) The Board shall certify to the Governor, on or before  
9 November 15 of each year through ~~until~~ November 15, 2011, the  
10 amount of the required State contribution to the System for the  
11 following fiscal year ~~and shall specifically identify the~~  
12 ~~System's projected State normal cost for that fiscal year.~~ The  
13 certification shall include a copy of the actuarial  
14 recommendations upon which it is based ~~and shall specifically~~  
15 ~~identify the System's projected State normal cost for that~~  
16 ~~fiscal year.~~

17 (a-5) On or before November 1 of each year, beginning  
18 November 1, 2012, the Board shall submit to the State Actuary,  
19 the Governor, and the General Assembly a proposed certification  
20 of the amount of the required State contribution to the System  
21 for the next fiscal year, along with all of the actuarial  
22 assumptions, calculations, and data upon which that proposed  
23 certification is based. On or before January 1 of each year  
24 beginning January 1, 2013, the State Actuary shall issue a  
25 preliminary report concerning the proposed certification and

1 identifying, if necessary, recommended changes in actuarial  
2 assumptions that the Board must consider before finalizing its  
3 certification of the required State contributions.

4 On or before January 15, 2013 and every January 15  
5 thereafter, the Board shall certify to the Governor and the  
6 General Assembly the amount of the required State contribution  
7 for the next fiscal year. The Board's certification shall  
8 include a copy of the actuarial recommendations upon which it  
9 is based and shall specifically identify the System's projected  
10 State normal cost for that fiscal year. The Board's  
11 certification must note any deviations from the State Actuary's  
12 recommended changes, the reason or reasons for not following  
13 the State Actuary's recommended changes, and the fiscal impact  
14 of not following the State Actuary's recommended changes on the  
15 required State contribution.

16 (a-7) On or before May 1, 2004, the Board shall recalculate  
17 and recertify to the Governor the amount of the required State  
18 contribution to the System for State fiscal year 2005, taking  
19 into account the amounts appropriated to and received by the  
20 System under subsection (d) of Section 7.2 of the General  
21 Obligation Bond Act.

22 On or before July 1, 2005, the Board shall recalculate and  
23 recertify to the Governor the amount of the required State  
24 contribution to the System for State fiscal year 2006, taking  
25 into account the changes in required State contributions made  
26 by this amendatory Act of the 94th General Assembly.

1           On or before April 1, 2011, the Board shall recalculate and  
2           recertify to the Governor the amount of the required State  
3           contribution to the System for State fiscal year 2011, applying  
4           the changes made by Public Act 96-889 to the System's assets  
5           and liabilities as of June 30, 2009 as though Public Act 96-889  
6           was approved on that date.

7           (b) Beginning in State fiscal year 1996, on or as soon as  
8           possible after the 15th day of each month the Board shall  
9           submit vouchers for payment of State contributions to the  
10          System, in a total monthly amount of one-twelfth of the  
11          required annual State contribution certified under subsection  
12          (a). From the effective date of this amendatory Act of the 93rd  
13          General Assembly through June 30, 2004, the Board shall not  
14          submit vouchers for the remainder of fiscal year 2004 in excess  
15          of the fiscal year 2004 certified contribution amount  
16          determined under this Section after taking into consideration  
17          the transfer to the System under subsection (c) of Section  
18          6z-61 of the State Finance Act. These vouchers shall be paid by  
19          the State Comptroller and Treasurer by warrants drawn on the  
20          funds appropriated to the System for that fiscal year.

21          If in any month the amount remaining unexpended from all  
22          other appropriations to the System for the applicable fiscal  
23          year (including the appropriations to the System under Section  
24          8.12 of the State Finance Act and Section 1 of the State  
25          Pension Funds Continuing Appropriation Act) is less than the  
26          amount lawfully vouchered under this Section, the difference

1 shall be paid from the General Revenue Fund under the  
2 continuing appropriation authority provided in Section 1.1 of  
3 the State Pension Funds Continuing Appropriation Act.

4 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
5 97-694, eff. 6-18-12.)

6 Section 105. Severability and inseverability. The  
7 provisions set forth in Sections 5, 15, 25, and 999 of this  
8 Act, as well as Sections 2-134, 7-109, 14-135.08, 15-165, and  
9 18-140 and subsection (a-5) of Section 16-158 of the Illinois  
10 Pension Code, as set forth in Section 30 of this Act, are  
11 severable pursuant to Section 1.31 of the Statute on Statutes,  
12 and are not mutually dependent upon the provisions set forth in  
13 any other Section of this Act.

14 Section 10, as well as the other provisions of Section 30  
15 of this Act, are mutually dependent and inseverable. If any of  
16 those provision is held invalid other than as applied to a  
17 particular person or circumstance, then all of those provisions  
18 are invalid.".